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Pressure Mounts for Revamping of EC Currencies

Meeting in Brussels Reportedly Will Focus On Spanish Peseta

By Carl Gewirtz and Erik Ipsen International Herald Tribune A new wave of turbulence swept foreign exchange markets Friday as the French franc and weaker currencies came under pressure...

The Bundesbank indicates it will keep interest rates on a tight leash. Page 11.

Rumors of such a realignment drove the dollar up Friday on the expectation of a further decline in German interest rates. The dollar, trading early in the day at just over 1.58 Deutsche marks, jumped above 1.61 DM on the rumors and closed in New York at 1.6055 DM...

Even With Pact, World Economy Will Require Time to Heal

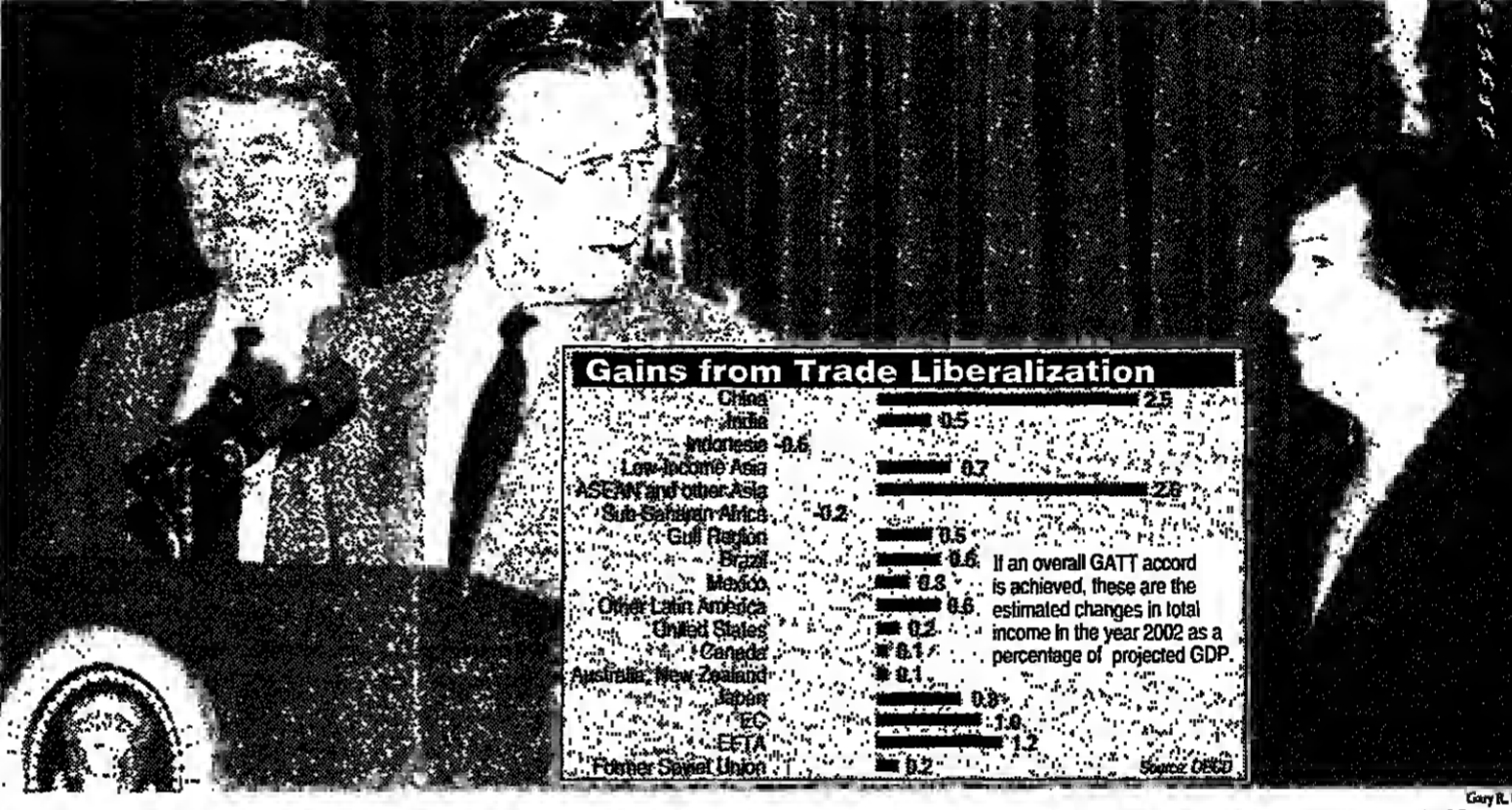
By Tom Redburn International Herald Tribune PARIS — A global trade agreement, which now becomes far more likely with the breakthrough Friday in the dispute between the European Community and the United States over farm subsidies, is no instant cure-all for ailing world economy.

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U.S. and EC Avert Trade War With Deal on Farm Subsidies

International Herald Tribune The United States and the European Community, stepping back from the brink of a threatening trade war, announced Friday a detailed pact to curb farm subsidies that should clear the way to a sweeping international agreement to expand world trade.



President Bush acknowledging the efforts of the U.S. trade representative, Carla A. Hills, and Agriculture Secretary Edward R. Madigan on the accord Friday.

Table titled 'Gains from Trade Liberalization' showing percentage gains for various regions like China, India, and ASEAN.

In World Computer Chip Battle, Americans Overtake Japan's Lead

By T. R. Reid Washington Post Service TOKYO — U.S. semiconductor chip companies have caught up with their Japanese competitors and regained global supremacy in the booming world semiconductor market...

Kiosk Hitler Artwork Draws No Bids

TRIESTE, Italy (Reuters) — Twenty paintings by the youthful Adolf Hitler went unsold Friday after they failed to draw any bidders at an auction.

General News

Scientists pore over evidence of a black hole. Page 5. Business/Finance Japanese depositors are fleeing banks for the postal savings system. Page 11.

Money Report

Germany's economic outlook is gloomy. Is it, then, just the right moment to get into German stocks? Pages 16-17. Crossword Page 20. Weather Page 20.

Fire at Windsor Castle, Home of Monarchs for 850 Years



Firefighters battling the blaze at Windsor Castle on Friday. The fire started in a chapel. Prince Andrew helped employees and soldiers evacuate works of art.

Europeans And NATO Blockade Adriatic

By Alan Cowell New York Times Service ROME — Both the North Atlantic Treaty Organization and the Western European Union ordered their warships in the Adriatic on Friday to impose a full naval blockade on the former Yugoslavia...

Table with market data: Dow Jones, Trib Index, The Dollar, Yen, FF.

TRANSITION / CHANGE ON THE PARTY SCENE

A New Twist in Passport Saga

By Walter Pincus
Washington Post Service

WASHINGTON — Former Assistant Secretary of State Elizabeth M. Tampost, who was dismissed from her job for searching passport records for information on Bill Clinton to help President George Bush's reelection, shared a Virginia town house during the campaign with Alize R. Glen, a senior spokeswoman for the Bush-Quayle campaign.

Ms. Glen said of the search of Mr. Clinton's files that she and Ms. Tampost "never spoke about it."

Because of their long work hours and regular travel, Ms. Glen said, "we never had more than three-minute conversations."

Ms. Glen said Thursday that she was not home on the evening of Sept. 30, when Ms. Tampost had an aide deliver the Clinton passport file to her at home and keep it overnight.

Ms. Glen's job was described in a Sept. 3 Bush-Quayle press release as deputy director for communications with "primary responsibility for daily coordination of research, tracking of statements, position

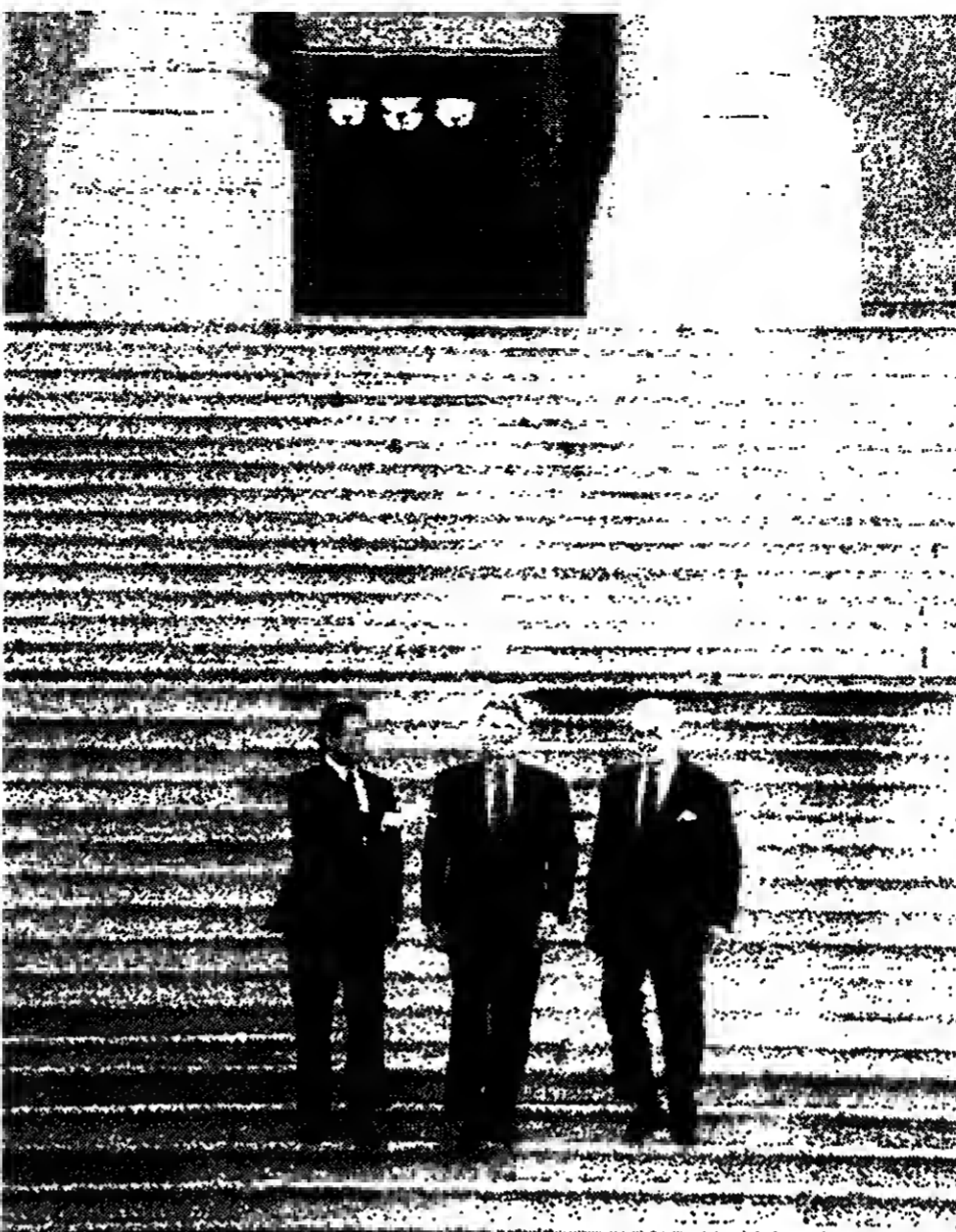
and other activities of the Clinton-Gore campaign." She led a "rapid response" team that disseminated to reporters sometimes negative information about Mr. Clinton.

One of the major issues in the passport affair is whether Ms. Tampost and other State Department officials involved in the search of Mr. Clinton's files acted under the direction or encouragement of individuals either in the White House or the Bush-Quayle campaign.

According to a report issued by the State Department inspector-general, Sherman K. Funk, an investigation found no evidence that the White House "or any other external source" had influenced the file searches. The report did not mention the relationship between Ms. Tampost and Ms. Glen.

An aide to Mr. Funk said Thursday that when Ms. Glen was interviewed by the inspector-general's office, the election was over and she no longer had a campaign job.

The aide added, however, that omitting Ms. Glen's role in the campaign from the report had probably been "a mistake."



Bill Clinton with Vice President-elect Al Gore, left, and the House speaker, Thomas S. Foley, leaving a meeting at the Capitol with leaders of Congress. The president-elect offered them an "open door."

Clinton Keeps Deficit Rise as Option

The Associated Press

LITTLE ROCK, Arkansas — President-elect Bill Clinton has not ruled out a short-term increase in the federal deficit if needed to revive the economy in January, a senior aide said Friday.

"The details have not been worked out," said the aide, George Stephanopoulos, Mr. Clinton's communications director.

Pressed on whether Mr. Clinton would be willing to drive up the deficit in the short run in order to get the economy moving, Mr. Stephanopoulos said that such an approach had not been ruled out.

In more immediate financial matters, the aide said the Clinton transition team expected trouble holding its costs within the \$3.5 billion provided by the government and planned to accept some private contributions.

Spokeswoman, Dee Dee Myers, said the \$3.5 billion to cover 10 weeks' worth of salaries, travel and office space was about what Mr. Clinton spent during one week of his presidential campaign.

Mr. Clinton and Vice President-elect Al Gore worked together in private Friday, talking about their meetings in Washington the previous two days.

The president-elect brushed off questions about a

conversation between his transition director, Warren M. Christopher and Senator Lloyd Bentsen, Democrat of Texas, about the treasury secretary's post. Mr. Christopher had asked Mr. Bentsen, chairman of the Senate Finance Committee, if he wanted to be considered.

Mr. Clinton, asked if he were looking at Mr. Bentsen for the job, said with a laugh, "I look at him every time I go to Washington if I can."

On the stimulus package, Mr. Stephanopoulos said that Mr. Clinton had not settled on any specifics and has asked advisers for a list of policy options.

Mr. Clinton has indicated that if the economy is showing little growth by his inauguration Jan. 20, he will probably try to push through an immediate jobs package speeding federal dollars for road and bridge projects and giving tax breaks for business investment.

New federal spending — without any offsetting cuts — would drive up the deficit. But aides have argued that without economic growth the deficit would only get worse anyway.

Mr. Clinton and congressional leaders have agreed that any short-term stimulus package would have to be followed up with "stringent" deficit reduction efforts for the long run, Mr. Stephanopoulos said.

Out With the Old, In With the Young

By B. Drummond Ayres Jr.
New York Times Service

WASHINGTON — The economy was not the only thing that went into decline under George Bush. When it came to partying, he turned out to be a real peeper, throwing only the required bushes, hardly ever venturing to the salons of Georgetown and hurrying off to Camp David on weekends.

That did not stop the partying, of course. But it set the tone for entertainment that was as soporific as a church supper, especially with drawing rooms filled with faces that had been hanging around Washington since Ronald Reagan, who imported old Hollywood buddies for his parties. Before that there was Jimmy Carter, who took a dim view of strong drink.

But take heart, Washington. With the Clintons, the new power couple, in town — just for a two-day "drop-by," — already the party pace is picking up.

Or, as Esther Coopersmith, a local socialite who hosts more than most, put it: "We've come alive! Alive! Alive!"

Consider:

Thursday, Day 1. President-elect Bill Clinton and his wife, Hillary, had been in town only a few hours when they attended a fundraiser for one of their favorite charities, the Children's Defense Fund, and then moved on to the home of Vernon E. Jordan, head of the Clinton transition team, for some power dining with the likes of Senator Bill Bradley, Democrat of New Jersey; Lane Kirkland, president of the AFL-CIO; Ronald H. Brown, chairman of the Democratic National Committee; and Ted Koppel, a journalist.

On Thursday night, Pamela Harriman, whose elegant Georgetown fund-raisers helped hold the Democratic Party together during the lean Reagan-Bush years, invited the Clintons for drinks and dinner, along with another group of legislators, culture mavens and journalists.

At both parties, people and reporters waited in the cold to see the guests arrive.

"It's been a long time since that kind of thing last happened," said Mary Hoyt, who served as Rosalynn Carter's friend-in-waiting and press secretary and who knows Washington at work and at play — not that there is any real difference.

"It's exciting, all the new faces and the energy and the comings and goings," Ms. Hoyt added. "The fact that the Clintons are getting out and about right at the start is a good sign that this town is springing back to life and ready to party."

Because the Democrats have been out in the political cold for so many years, they also have been out in the social cold. When you're out of power in Washington, you're off the party A-list, no matter your breeding, your school or your previous contribution to mankind.

POLITICAL NOTES

Ideas for the Hard Task of Fixing Congress

WASHINGTON — Many Americans think congressional reform is easy: Freeze pay, cut staff, close the bank, close the gym, close the barber shop, get rid of the limos and limit the number of terms each lawmaker can serve. The hacks and public trough feeders will disappear, leaving behind a dedicated army of citizen-legislator worker bees.

Wrong, say a pair of Washington-based scholars. Reforming Congress is difficult, contentious and far more complicated than messing with what Thomas Mann of the Brookings Institution calls "cosmetic and symbolic" matters such as perquisites and term limits. Fix Congress properly, Mr. Mann said, and "over time, pressure for term limits will dissipate."

Mr. Mann and Norman J. Ornstein, of the American Enterprise Institute, have released the first of a series of reports on "Renewing Congress," a foundation-funded effort to examine closely and make recommendations for an institution that many Americans love to hate.

The project seeks to confront Congress's major structural failings: a diffuse power structure, proliferation of subcommittees, excessive staff, multiple obligations for members, wasted time and a lack of deliberation and real debate.

To attack the problem, the report focused on two types of systemic change: one that would tinker with power relationships within the House, and another that would cut and paste House structures in hopes of streamlining the whole.

The basic tenet, Mr. Ornstein said, is that "the power of party leaders must be strengthened" in order to enhance the House's ability to formulate an agenda and carry it through. The report proposes several changes that would consolidate more power in the hands of the House speaker or his designates and, in many cases, move it away from committee leaders.

On structural matters, the report took the line that the House could get along better with less: fewer subcommittees, smaller conference committees, fewer committee and subcommittee assignments. It also suggested that there be full-scale "Oxford-style" debate once or twice a week on what Mr. Mann described as "the larger issues of the day." (WP)

Quote-Unquote:

Barbara Bush, asked by reporters where she and President George Bush would rent a house while a new house was being built for them in Houston: "None of your business." (AP)

Away From Politics

- U.S. Roman Catholic bishops closed their twice-yearly meeting in Washington with a resolution voicing "profound concern" for people sexually abused by members of the clergy and recommending that bishops "respond promptly" to charges of such abuse in their dioceses.
- The Earthwinds around-the-world balloon flight has been grounded indefinitely because winds ripped apart a dome over the launching site and part of the inflatable craft. The double-balloon vessel, with a crew of two Americans and a Russian had planned to take off from Stead Airport north of Reno, Nevada, next week.
- The U.S. Episcopal Church has consecrated the second woman bishop in its history in an ancient rite at the Washington Cathedral. The Reverend Jane Holmes Dixon was elevated to the episcopacy, but as permitted by the liturgy, several individuals protested the event. Some opposed it because of Reverend Dixon's sex, some because she supports the ordination of homosexuals.
- Millions of elderly poor do not receive government health aid, food stamps and other safety-net benefits because of paperwork problems, lack of knowledge about eligibility, misplaying regulations and restrictive eligibility rules, according to a study released by the American Association of Retired Persons. Some 34 percent to 44 percent receive food stamps and only 30 percent of the noninstitutionalized elderly poor get Medicaid, the study says.
- At the request of the National Aeronautics and Space Administration, the FBI is investigating possible criminal and national-security problems at NASA's Ames Research Center in Mountain View, California. The inquiry is a follow-up to an internal NASA review last summer that found what a NASA administrator called "a major, major indication of potential violations of national security."
- The New York mayor's office, facing contempt charges for leaving hundreds of homeless families to sleep in city offices, said it was being forced once again to expand the city's use of hotels to shelter the homeless. Deputy Mayor Cesar A. Perales said the city had little choice but to move as many as 80 families into two Upper West Side hotels after it completes several days of negotiations with the hotels' owners.
- Officials at the United Way charitable organization, wrestling with the effects of a sluggish economy and of the corrosive scandal this year, say they fear that 1992 will bring the sharpest decline in donations in more than 40 years. The United Way's former president, William Aramony, was forced out last winter after disclosures of his hefty expense accounts and the financial manipulations that created a series of profit-making spinoff organizations.
- New York transit police officers will begin new sensitivity training next week, the result of the shooting of a black undercover officer by two white colleagues who thought he was a mugger, the Transit Police Department has announced. (WP, LAT, AP, NYT)

Comments Of Governor Spark a Cry Of Bigotry

By Ronald Smothers
New York Times Service

ATLANTA — The furor created by Governor Kirk Fordice of Mississippi, who said this week that the United States is a "Christian nation," has heated up as several Jewish groups called the remarks "un-American" and another called on the Republican Party leadership to repudiate the "divisive comments."

A spokesman for Mr. Fordice, as well as others present when he made his comments Tuesday, disputed the interpretations that appeared in several news accounts. And some Republican officials dismissed the controversy as the work of groups allied with the Democratic Party who had an interest in portraying the Republican Party as narrowly based.

Other top Republicans rushed to dispel any hint of intolerance, and by day's end Mr. Fordice had signed a conciliatory statement.

"When any sign of bigotry or intolerance is raised, we react quickly and forcefully," said a statement issued by Richard N. Bond, the Republican national chairman. "We reject any statement that demeans Americans on the basis of religious beliefs."

The statement did not mention Mr. Fordice by name, however, nor did it refer to his comments, which were made at a meeting of the Republican Governors Association.

Mr. Fordice's comments came as he discussed the Republican Party's future. He talked of the fact that, statistically, the vast majority of Americans considered themselves Christians.

This statistical fact did not infer intolerance or required adherence to a particular dogma, Mr. Fordice said, but he added that "the less we emphasize the Christian religion the further we fall into the abyss of poor character and chaos in the United States of America."

When Governor Carroll A. Campbell Jr. of South Carolina sought to amend Mr. Fordice's comments by substituting the word "Judeo-Christian" for "Christian," the Mississippi governor was heard to say, "If I wanted to do that I would have done it."

The communications director of the Republican National Committee, B. Jay Cooper, said that the statement had been made partly in response to a letter to Mr. Bond from the American Jewish Congress. Mr. Fordice's comments were said to imply that non-Christians must subscribe to Christian tenets, or find themselves "unwelcomed in the Republican Party."

■ An Apology

Mr. Fordice apologized for his remarks on Friday, and the rabbi at Mississippi's largest synagogue said he was satisfied. The Associated Press reported from Jackson, Mississippi:

"I deeply regret any offense that any Mississippians might have taken at my remarks," Mr. Fordice said in a statement. "I want us all to go together forward in our labors to bring character, high values and moral conduct into sharp focus in Mississippi."

Rabbi Steven Engel of the Beth Israel Congregation said after meeting with Mr. Fordice: "The governor realizes the mistake he made. I'm sure he'll be more careful in the future."



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A TRADE DEAL / PUTTING IT TO WORK

French Are Bitter Over Pact Farmer Unions Threaten to Resist Accord

By Alan Riding
New York Times Service

PARIS — By settling a bitter farm trade dispute with the United States, the European Community chose Friday to ignore strong French objections to the deal, but it still remains unclear whether France will now begin a new effort to overturn the agreement.

In its first response Friday night, France, which is Europe's largest exporter of farm products, remained critical.

"The conditions defined by the French government have not been fulfilled," said the agriculture minister, Jean-Pierre Soisson. "At first sight of this accord, I cannot accept it."

He would not say whether France would try to block the agreement, but he made clear the French view that the Community had made too many concessions to the United States in avert a brewing trade war and pave the way for a resumption of global trade liberalization talks.

France's position is all the more complicated because it must now choose between angering its Community partners by demanding new negotiations and risking the ire of the country's 1 million farmers, who feel they have been sold out by the Community.

The EC's external affairs commissioner, Frans Andriessen, who helped work out the accord in Washington, tried late Friday to forestall a break with France.

"It's premature, before having seen the deal in its totality, to say it is unacceptable," he said.

Asked if the Community could go ahead without France, the Dutch commissioner replied: "I hope we can continue with the support of France."

Among major EC nations, though, France now stands alone. Prime Minister John Major of Britain, who pushed to revive the farm talks after they collapsed earlier this month, said the agreement would set the stage for a global trade package, while Germany and Italy also welcomed settlement of the dispute with Washington.

The turning point came earlier this month when Washington threatened to impose 200 percent punitive tariffs on EC exports valued at \$300 million in reprisal for the Community's refusal to cut back oilseed production. While France said the Community should threaten counter-reprisals, its partners opted for new negotiations.

"While France has suffered a major setback, however, it remains the

main focus of attention, not only because it may still try to undo the accord when it is discussed by EC ministers, but also because its powerful farmers have already announced plans to combat the agreement.

"Before we die, we will resist," Luc Guyon, a farm union leader, said Friday night.

The farmers, who protested violently against an EC agreement last May to reduce farm subsidies, have demanded that the National Assembly reject the accord when it debates the issue next Wednesday. The debate was called by the government in the hope of winning political support for its hard-line stance.

With crucial parliamentary elections due next March, the Socialist government of President François Mitterrand also is anxious not to be seen as abandoning the farmers, not least because the two main conservative opposition parties have also demanded protection of French agriculture. Some political experts believe the government could fall if it defended the deal.

In a radio interview, Mr. Soisson said the government would only define its final position after consulting Parliament, but he insisted that the farm accord worked out in Washington by two members of the EC Commission still required the approval of EC governments.

"There is no accord, or at least the term is improper," he said. "The commission has spoken, but only the Council of Ministers can decide."

The French minister refused to say whether Paris would exercise its right of veto under a rarely used EC provision that permits any member state to block an accord citing "national interest." Some farming groups here have demanded that France use this veto.

France's bitterness over the farm dispute and Washington's threat to impose trade sanctions has been building up all week, with the trade minister, Dominique Strauss-Kahn, complaining earlier Friday that Washington wanted "to wield a kind of food weapon over the rest of the planet."

Mr. Major expressed confidence that the trade agreement will not be undercut by EC governments.

"I don't believe Europe will say no to this deal when it is finally concluded," Mr. Major said in London.

Britain's agriculture minister, John Gummer, went further. "I think the French will understand that, for the good of the whole world, the agreement is necessary,"

GATT: U.S. and EC, Retreating From Trade War, Reach Agreement

(Continued from page 1)

Washington, while backing down on its insistence that Europe accept specific output limits, extracted concessions from Brussels that allow the outgoing Bush administration to claim victory as well.

The Community agreed to limit its overall farm acreage devoted to oilseeds to 5.128 million hectares (12.67 million acres) and to leave 15 percent of that land free from any plantings next year. In all future years, EC farmers will be required to keep at least 10 percent of their land dedicated to oilseeds out of production. The pact should keep annual EC oilseed production at 8.5 million metric tons to 9.7 million tons, said Edward R. Madigan, the U.S. agriculture secretary.

Moreover, the United States and the Community finally reached a compromise on farm subsidies that has eluded the two sides in all previous international trade negotiations. Both Washington and Brussels agreed to reduce the level of internal supports for agriculture by 20 percent, a reduction that the United States already has achieved.

The Community said it would cut back on the volume of subsidized farm exports by 21 percent from the average of recent years. That will require a 38 percent reduction from this year's level, which was elevated because a bumper crop required Brussels to pump up its subsidies to dump the excess on world markets at depressed prices. The value of the subsidies would fall by 36 percent.

Under these changes, Mr. Madigan said, U.S. agricultural producers should be able to regain many of their lost markets.

The United States, as part of the settlement, also persuaded the Community to submit to binding arbitration in case of a dispute over the terms of the agreement. Brussels had refused until now to submit the oilseeds issue to arbitration.

France's beleaguered Socialist government had been under strong pressure from the politically powerful farm lobby to stand up to the United States. Facing national elections in March, the government feared that protests by farmers could wreck its chances to stay in power.

Farmers burned a U.S. flag outside the American Embassy in Paris on Wednesday and also rampaged through a nearby McDonald's restaurant.

After the resolution of the dispute between Europe and the United States, an overall global trade agreement is now clearly within reach.



Frans Andriessen, EC external relations commissioner, reporting agreement in Brussels. At left, Ray MacSharry, EC agriculture chief.

U.S.-EC Pact: The Details

WASHINGTON — Details of the agreement reached between the United States and European Community:

- The European Community would limit oilseed plantings to 5.128 million hectares (12,666 million acres).
- The EC also would agree to mandatorily set aside 15 percent of the acreage the first year and at least 10 percent in subsequent years.
- That would leave EC production in future years between 8.5 million and 9.7 million tons, down from a peak in 1991 of 13 million tons, according to U.S. officials.
- The U.S. soybeans farm group wanted EC output restricted to below 9 million tons, and wanted a set cap on production.
- In broader farm trade issues under the General Agreement on Tariffs and Trade, sources said the tentative pact would call for a 21 percent cut in the volume of export subsidies and 36 percent spending cut in export subsidies.

The End Of Uruguay Round Is In Sight

Compiled by Our Staff From Dispatches

GENEVA — A world trade treaty appears in sight with the resolution of the long-running trans-Atlantic dispute over farm subsidies, trade diplomats said Friday.

"We are still going to need some more difficult political decisions by the EC and the U.S. and from some of the other players in this game by the middle of December if we are going to finally crack this thing," a diplomat said.

If an accord is completed in December, negotiators said, it will take as long as two more months more to iron out technical details of a final text.

The General Agreement on Tariffs and Trade, which is overseeing the talks, said in a statement that the Geneva negotiating process could be started again "with a view to concluding" the current Uruguay Round.

An accord from the talks, which involve 100-plus nations, was launched at the Uruguayan resort of Punta del Este but has been blocked for two years. The United States and the European Community have been quarreling over farm subsidies and pursuing a detailed squabble over oilseeds.

Analysts said the U.S.-EC deal announced Friday would still come under the scrutiny of U.S. farmers, whose views carry weight with Agriculture Secretary Edward R. Madigan.

The U.S. farm lobby was reportedly responsible for sinking talks in Brussels last month just as the two sides appeared on the verge of an agreement.

And trade experts said several smaller hurdles remained to be cleared before an overall GATT agreement was finally sealed.

The talks cover a wide range of trade in most goods, services and textiles.

Arthur J. Dunkel, the GATT director-general, who introduced his own draft "final act" in December after negotiators failed to agree on a text, has repeatedly reminded them that "nothing is agreed until everything is agreed."

The Uruguay Round is the eighth and most ambitious round of global trade negotiations since GATT was established in 1947. The seven previous rounds resulted in cuts of average tariffs on manufactured goods from more than 40 percent in the 1940s to less than 4 percent now, fueling major increases in world trade.

The current round involves further tariff cuts on manufactured goods and includes several important new areas previously excluded from GATT's efforts to lower trade barriers. These are agricultural products, textiles and clothing, and services such as banks, insurance companies, securities houses, telecommunications, and water and air transportation.

The Uruguay Round includes new rules for the binding settlement of trade disputes within the GATT framework, in an effort to put an end to national retaliation and counterretaliation.

There also would be attempts to prohibit such common protectionist measures as overly strict technical standards, subsidies, counter-vailing duties, and regulations to shut foreign firms out of government contracts. (Reuters, APF)

Bonn Aide Says U.K. Is 'Disaster' as EC Leader

Compiled by Our Staff From Dispatches

BONN — A leading German politician said Friday that Britain's presidency of the European Community was becoming a "disaster" because of its failure to tackle the problem of Denmark's rejection of the Maastricht treaty.

Günter Verheugen, chairman of the German parliament's new European affairs committee, said Britain's lack of leadership on the issue made it doubtful whether Community leaders would be able to resolve the Danish problem at their summit meeting in Edinburgh next month.

"We must criticize very sharply the fact that the British presidency is not in any way fulfilling its leading and coordinating function in resolving this question," Mr. Verheugen said.

"The British presidency in the second half of 1992 is turning out more and more to be a complete disaster for Europe."

France's industry and trade minister, Dominique Strauss-Kahn, who criticized London's position on negotiations with the United States over the General Agreement on Tariffs and Trade.

Mr. Strauss-Kahn said that he was "waiting impatiently for Dec. 31," when Britain hands over the rotating presidency to Denmark.

"In my view, it's the most disastrous that I've experienced since I've been in government," he said of Britain's stint in the presidency. British officials dismissed the attacks.

"You need to look below the surface," a senior official said. "In the run-up to Edinburgh there are a lot of issues that are outstanding. This does not mean they won't be resolved at the summit."

Danish voters rejected the Treaty on European Union in a referendum in June. The government wants the EC to let it opt out of key provisions such as a single currency and common defense policy in the hope that this will win popular backing for the treaty in a second referendum next year.

Mr. Verheugen said he did not rule out the possibility of a compromise formula being found to satisfy Denmark and its Community partners, but said this would be very difficult and time was short.

"Hence my massive criticism of the British presidency, which is simply letting this ticking bomb lie there for domestic political reasons," he said. (Reuters, AP)

TRADE: Economy Needs to Heal

(Continued from page 1)

said David Hale, an economic historian who serves as chief economist at Kemper Financial Services in Chicago. "If successful, the Uruguay Round may be seen as ushering in a new age of capitalism."

GATT, by default, has emerged as the primary institutional forum today for addressing the structural economic issues which will arise during the 1990s," Mr. Hale contends, "as Eastern Europe, Latin America, India, the former Soviet Union, and other formerly state-controlled economies systems return to the global marketplace for goods and capital."

Initially, however, a farm deal between the United States and Europe may produce some unpleasant side effects. While defusing the threat of a trade war, it is also likely to bring farmers in several European countries from the countryside to the streets of the cities in protest. If social unrest follows, political uncertainty could well rattle financial markets and undermine consumer confidence in Western Europe.

Many of the poorest nations of the world might also suffer an early setback. One of the most immediate effects of any trade agreement would be to curb production subsidies in Europe and the United States for a variety of basic agricultural goods, which would tend to lead to higher world prices for meats, grains, vegetable oils, and dairy products.

The OECD report acknowledges there would be "some notable losers, particularly among the poorest regions, such as sub-Saharan Africa. The losers can be broadly classified as net food-importers. They tend to import food commodities which [would be] increasing in price and to export food commodities which are decreasing in price: rice, coffee, cocoa, and, to some extent, fruits."

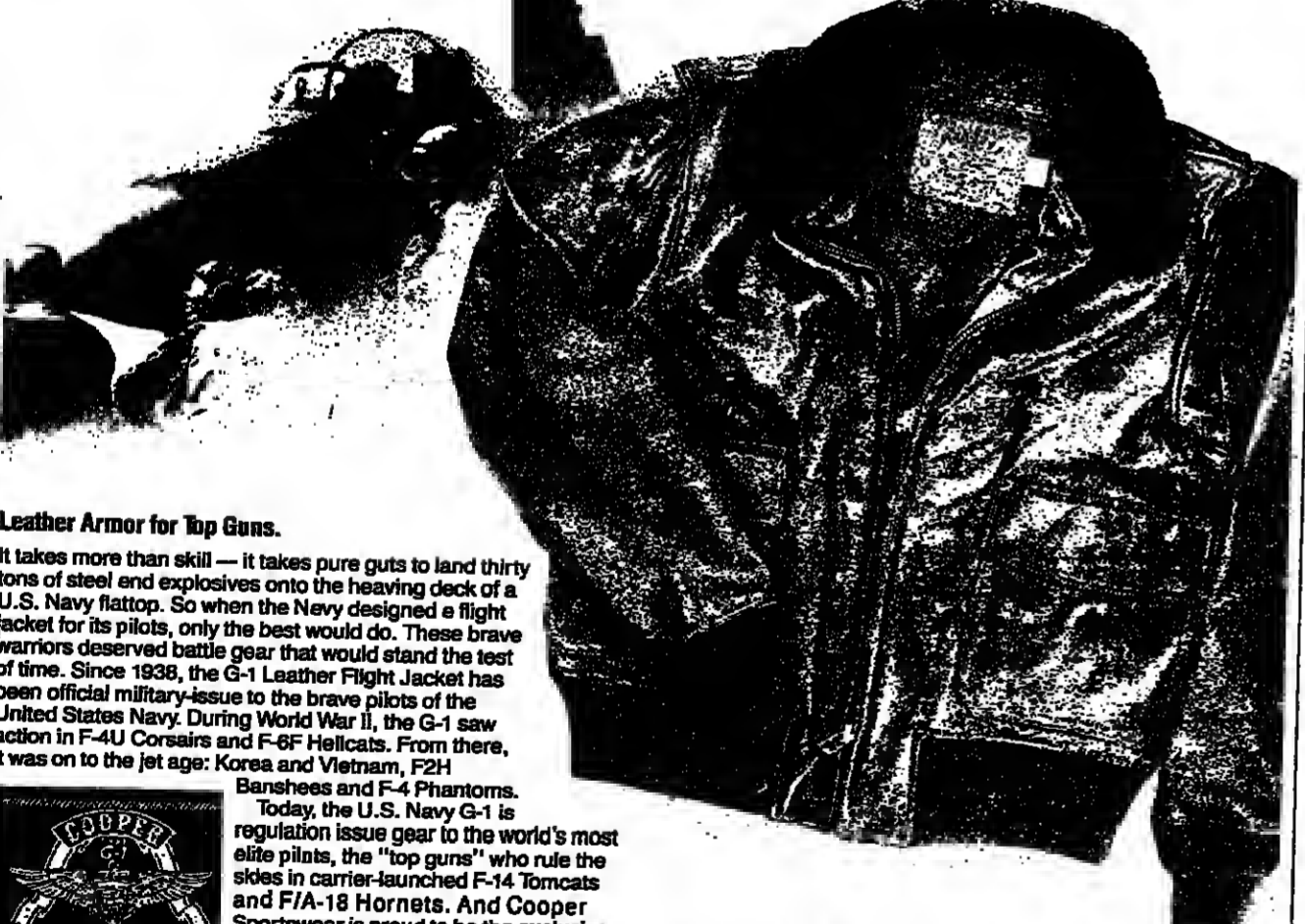
Most developing countries, however, particularly in Latin America and Asia, would be much better off with a GATT agreement. One of the biggest benefits would be the dismantling of the complex system of tariffs and quotas on textiles and clothing that would accelerate the shift of production to less-developed regions of the world.

The OECD estimates that the Third World would gain more than \$90 billion in additional annual income within a decade. That represents more than twice the official aid that these countries receive and far outweighs the \$7 billion in trade losses concentrated in Africa. Multinational organizations should be capable of compensating the losers.

Industrial nations stand to reap substantial gains, but only slowly as the gradual elimination of barriers to trade and investment and added protection for creative material open up new markets for advanced goods and services, such as telecommunications, computer software, and entertainment.

For now, the most important consequence of the EC-U.S. breakthrough could be, like Sherlock Holmes's famous dog that did not bark in the night, what did not happen. By easing trade tensions that could easily have led to growing economic and political conflict, the world may have escaped a harsh fate.

The Actual Jacket Worn by U.S. Navy "Top Gun" Pilots! The Authentic U.S. Navy Genuine Goatskin G-1 Flight Jacket



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Many Issues Remain on The Table

The Associated Press

GENEVA — Here are some of the remaining issues in world trade talks:

- Agriculture: Food-exporting nations such as Canada, Australia and Argentina want Europe to cut farm subsidies that squeeze efficient producers off world markets. They will not accept any U.S.-EC deal that excludes them. Japan and South Korea are fighting against plans to convert import barriers into customs duties. This would end their ban on rice imports.
- Services: The aim is to create standard rules to liberalize trade in commercial services like banking, tourism and transport. International trade in services is worth more than \$800 billion, and in industrial countries about half the labor force works in the service sector.
- Market access: The aim is to open import tariffs by at least 30 percent and slash customs duties and other barriers on traditionally protected areas like textiles and clothing. Third World countries will not back an overall Uruguay Round deal if rich countries do not lower import barriers.
- Intellectual property rights: The aim is to draw up new rules to protect patents, trademarks and copyright against piracy. Washington says theft of American "ideas" cost it \$60 billion a year in lost export earnings.
- New rules: These include areas such as duties to prevent the unfair "dumping" of products on foreign markets.

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 Source: EC 1990
 ACCME

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Deal on Testimony Ends Logjam by Japan Opposition

Compiled by Our Staff From Dispatches
TOKYO — Japan's governing party bowed to economic and political pressure on Friday and agreed to produce three key figures to testify in parliament on allegations of links with the Japanese underworld.

Mr. Kanemaru would respond to questions from his hospital bedside in a resort town south of Tokyo, where he is recuperating from eye surgery this week, the official said.



Prime Minister Kiichi Miyazawa bowing Friday before a parliamentary committee that opened debate after a two-week-long opposition boycott on legislation to finance an economic bailout plan. At left is Kaneko Muraoka, a Liberal Democratic Party member of the panel.

The decision paid off immediately, with opposition groups ending a two-week parliamentary boycott.

Mr. Kanemaru was forced to quit parliament but received only a token fine in mid-October amid public outrage over his admission that he took 500 million yen in illegal donations from the trucking company.

After an overnight all-party bargaining session, the governing Liberal Democratic Party agreed to present testimony next week by Shin Kanemaru, who until recently was Japan's most influential politician, former Prime Minister Noboru Takeshita and Hiroyasu Watanabe.

Mr. Watanabe was an executive of Tokyo Sagawa Kyubin, a trucking company at the center of the political scandal.

Mr. Watanabe is one of three former executives on trial for arranging illegal loans and loan guarantees, many of them for gangster-affiliated companies.

Mr. Kanemaru would respond to questions from his hospital bedside in a resort town south of Tokyo, where he is recuperating from eye surgery this week, the official said.

It is believed he directed some of the money into a slush fund to pay off influential politicians like Mr. Kanemaru and Mr. Takeshita in return for favors.

Mr. Kanemaru was forced to quit parliament but received only a token fine in mid-October amid public outrage over his admission that he took 500 million yen in illegal donations from the trucking company.

Bhutto Plans to Make 'Long March' by Train

KARACHI, Pakistan — Pakistani opposition leader Benazir Bhutto will transform her "long march" on Parliament to oust the government into a crusade by train across the length of the country, a spokesman said Friday.

Yeltsin Promises Roh to 'Pressure' North Korea

SEOUL — At the close of a friendly visit in which new economic realities transcended old political alliances, Presidents Boris N. Yeltsin of Russia and Roh Tae Woo of South Korea signed agreements on Friday that will build new ties between their once-hostile countries and further isolate Communist North Korea.

Yeltsin Promises Roh to 'Pressure' North Korea

power by Stalin after World War II and has looked to Moscow ever since.

Since South Korea and the Soviet Union normalized relations in 1990, both Mikhail S. Gorbachev and Mr. Yeltsin have traveled to South Korea to emphasize friendship and seek economic aid.

South Korea had previously committed to a \$3 billion loan package, but disbursements were stopped after Russia defaulted on interest payments. This week, after Mr. Yeltsin "guaranteed" repayment and offered a token interest payment, South Korea agreed that the flow of funds would start again.

Mr. Roh, in turn, agreed to reopen the flow of aid and investment funds from South Korea to Russia, giving Mr. Yeltsin some welcome economic news to carry home when he left Friday.

UN Orders Halt on Arms for Liberia

UNITED NATIONS, New York — The Security Council has imposed a mandatory arms embargo on Liberia in an effort to cut off weapons to rebel fighters battling a force sent in by West African nations.

The arms provisions of the resolution were adopted under Chapter VII of the UN Charter, which carries the threat of force but would require another resolution to authorize any such action.

The resolution, adopted by a 15-0 unanimous vote, was the council's first step toward involvement in Liberia.

It gave broad support to intervention efforts by the Economic Community of West African States, which has a force in Liberia battling rebels led by Charles Taylor.

Hubble Photos Offer 'Best Look' At a Black Hole

By Rudy Abramson
Los Angeles Times Service
WASHINGTON — Scientists using the Hubble Space Telescope have found the most compelling evidence yet for the existence of black holes.

material that is feeding the black hole, and it is almost certain that it is the spinning of this disk that provides the orientation of the two jets' of energy.

Saying that they now have a chance to resolve the debate over the existence of black holes as early as 1994, the scientists released space telescope photographs of a swirling disk of dust, shooting jets of energy across 88,000 light-years of space.

"Almost every bit of the puzzle is in place now," he said. "We now see something that is almost too good to be true."

According to the theory, a black hole should form when intense pressure, such as a supernova explosion, makes an object extremely compact, resulting in a surface gravity so powerful that nothing can travel fast enough to escape. Outside, no part of the black hole is visible, because even light is trapped. Inside, hypothetically, time and space act in utterly unfamiliar ways.

As they presented their photo of the disk Thursday, Mr. Jaffe and National Aeronautics and Space Administration officials said that they might be able to confirm the existence of a black hole at its core as early as 1994, after NASA files its scheduled 1993 mission to repair flaws in the Hubble's optics.



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Herald Tribune

While Bosnians Die

The West Dithers

It took six months and 100,000 deaths in Bosnia for the United Nations finally to order a maritime blockade, backed by NATO, on Serbia...

was previously held up by rival gunslungers. And finally, UN troops could be deployed in Kosovo and Macedonia before the war spreads southward, even beyond the borders of the former Yugoslavia.

The belated tightening of economic sanctions is no substitute for forceful pressure to stop the bloodletting in Bosnia. And it will not stop Serbia from blowing up more of the Balkans. It is only one of several strong steps that the world needs to take, inside Bosnia, Serbian places still attack unprotected Bosnian cities, in defiance of an exclusion order declared by the United Nations.

But the struggle is far from over. Many Bosnians are now aroused and armed. They have begun a guerrilla war in Serb-held areas that will not be readily suppressed. The war could easily spill back into Croatia if its dictator, Franjo Tudjman, double-crosses his Bosnian ally and cuts a deal with the Serbian armyman Slobodan Milosevic.

At least armed convoys are now protecting desperately needed relief supplies that

Western governments have long been paralyzed by the risks of action to save Bosnia. How long will it take them to understand the price of inaction? Meanwhile, Bosnia bleeds.

—THE NEW YORK TIMES.

A Democratic Hope

It begins to dawn on people that a democratic fix beckons in Yugoslavia. The "ethnic cleansing" practiced by Serbia's Slobodan Milosevic goes on daily adding more victims to the thousands killed and the millions uprooted.

Western and Islamic countries should be trying harder to reinforce Mr. Panic's outreach to the Albanian majority in Serbia's territory of Kosovo. Currently the Albanians there threaten to boycott the poll so as to bolster their drive for secession.

On Thursday the State Department confirmed that it is asking the United Nations to relax the embargo to permit shipment of equipment that would allow independent television in Belgrade to compete more fairly with regime-dominated media.

For Mr. Milosevic to run and win, in an election internationally monitored and pronounced free and fair, would be a bitter pill; it is a chance that democratic countries must take. To lose and challenge the result would put on him a terrible responsibility for provoking civil war.

—THE WASHINGTON POST.

America's Trade Deficit

While the American trade deficit seemed for several years to be improving, the trend reversed itself last winter. Now it is climbing again. Far from fading away, the trade deficit seems to be moving back up into the range of about \$100 billion a year.

Don't blame it on Japan. It's not the Europeans' fault. No doubt they have much to answer for elsewhere, but this time that \$100-billion-a-year trade deficit is being manufactured solely in the USA.

—THE WASHINGTON POST.

White House Connection

The State Department report on the ransacking of Governor Bill Clinton's passport file reaches a distressing but obvious conclusion: that the search was politically motivated, aimed at influencing the election.

Mr. Funk puts the burden of blame on midlevel State Department officials. That is reminiscent of the State Department's claim last month that only "low-level" officials were involved. That claim was proved false when Ms. Tamposi's involvement came to light.

—THE NEW YORK TIMES.

When the Oppressor Was Accommodated

By Stephen S. Rosenfeld

WASHINGTON — Democratic Germany will surely strive to see that justice is served in the trial of the former East German Communist leader Erich Honecker for killings at the Berlin Wall.

This line holds that the Soviet bloc leadership made its own essential contribution to stability and peace in the Cold War. It follows that it is wrong to prosecute or otherwise blame people who, although ideological foes, were also partners of convenience.

True, some of us may be ready for a little vengeance. The defendants blocked normal legal emigration from the country they ruled for 40 years at the point of a Soviet gun.

The wall stopped the last gap in a literal Iron Curtain that divided Europe. And things did settle down in Germany. The West came to live with the idea that communism, or at least the

A Taiwan Example for the Liberalization of China

By Ramon H. Myers

TAIPEI — Taiwan and China are still technically at war. Yet a spreading network of economic and personal ties has led to a striking improvement in their relations. Despite the formal hostility, Taiwan's experience in gradually building political democracy on a firm economic and social base is a path that China would do well to follow.

At the same time, beginning in November 1987, people from Taiwan were allowed to visit their families on the mainland. Today the extraordinary increase in trade, investment and exchanges of people between China and Taiwan reflects a great lowering of tensions.

drawing the hinterland provinces into this vast new commercial expanse. The lesson from Taiwan's experience is that when threats to national security start to recede and economic modernization becomes a sustained growth process, rural and urban prosperity flourishes. Then the transition to democracy can begin.

The writer, senior fellow at the Hoover Institution on War, Revolution and Peace, is co-author of a forthcoming book on Taiwan's democratization. He contributed this comment to the International Herald Tribune.

Europe Awaits Clinton, Who Has Other Problems

By William Pfaff

MARBELLA, Spain — There is a useful distinction to be drawn between good problems, those which come up in the course of any constructive enterprise, and bad problems, the destructive ones. The biennial Atlantic Conference, held this year in Marbella, provided evidence

Europe as well, which has agricultural products as well as low-technology manufactures to sell, and not much else. Thus the Atlantic countries solve their good problems by creating bad ones for people whose troubles already are bad enough.

Moreover, destructive forces of this kind will be exported. They will influence the West as they become dominant in the East. Germany already has a domestic political crisis on its hands because of the xenophobia and racism provoked by the enormous tide of refugees fleeing poverty in the East and war in Yugoslavia.

A Fresh Generation in Washington

By David S. Broder

WASHINGTON — Sometimes, seeing reality is believing. For many it was the sight of the vanquished George Bush greeting the victorious Bill Clinton in the White House driveway Wednesday afternoon that brought home the magnitude of the change the voters had ordered two weeks before. It is not just a change of presidents or of parties. It is a change of generations, and it spans the whole national government, not the White House alone.

They are, like Mr. Clinton, without prior military service. Fewer than one in five of the freshmen has gone through that experience — a striking difference from the re-elected members of Congress, almost half of whom are veterans.

They are, like Mr. Clinton, without prior military service. Fewer than one in five of the freshmen has gone through that experience — a striking difference from the re-elected members of Congress, almost half of whom are veterans.

INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER Co-Chairman LEE W. HUEBNER, Publisher JOHN VINCIGUERRA, Executive Editor...

IN OUR PAGES: 100, 75 AND 50 YEARS AGO 1892: China Unable NEW YORK — The Admiralty Department at Washington hoped that the fleets of all nations would be represented in the naval demonstration to mark the celebration in honor of the discovery of America. The Chinese Ambassador has, however, intimated that his country will not be able to take part on the grounds that Chinese sailors are unfamiliar with the management of steam vessels.

1917: French Eloquence PARIS — Stirred to a high pitch of patriotic enthusiasm by a high-pitched speech delivered by M. Clemenceau, the Chamber of Deputies yesterday (Nov. 20) passed a resolution of confidence in the Government by 418 to 65. He said: "Our duty is to be with the soldier, live, suffer and fight with him. With our Allies we form the immovable rock of a barrier which shall not be broken down. France has suffered for all that is of man. She is

AMERICAN TOPICS BUSH'S MOTHER LESLIE HOWARD BAPTIST BATTLE TO...

AMERICAN TOPICS

Doctor Makes a Strong Case For Fewer Heart Transplants

Many of the thousands of people waiting for heart transplants could probably become well enough to forgo surgery if their heart disease is treated aggressively, according to research directed by Dr. Lynne Stevenson of the University of California at Los Angeles. She said many of the patients who survive six months on the waiting list for a heart from a donor probably did not need a replacement heart anyway.

which drugs best helped each patient, and exercise to get them moving again.

Short Takes

"Beam me up, Scotty," Captain Kirk of Starship Enterprise, exploring a strange planet on foot, radios to his crewman hovering overhead as hostile extraterrestrials close in. Instantly, Kirk evaporates from the surface of the planet and rematerializes within the safety of the spacecraft. Could this fantasy from the long-running television series, "Star Trek," ever happen in real life? "Not even, not even in 10,000 years," says David Goodstein, professor of physics at the California Institute of Technology. "You would basically be making a Xerox of the person, and a copy is never as good as the original. With each subsequent copy, more mistakes would creep in."

With the film "Malcolm X" newly released, items of clothing and souvenirs bearing the letter "X" are proliferating. The black militant's widow, Betty Shabazz, is trying to collect royalties and has retained a legal management firm to protect her interests. "We will prosecute infringers if they are trading on the name and image of Malcolm, but not if they show it does not relate to Malcolm," a spokesman said, citing such exceptions as Xavier University caps. Ironically, Malcolm X, born Malcolm Little in 1925 and assassinated 40 years later, assumed the letter "X" now held to represent his identity, as an

expression of a lack of identity. He used it to replace the name given his slave ancestors. But, The New York Times remarked, "X" has come to be a sign of anger, defiance, pride and honor — as well as chic. Whether or not it is a trademark, "X" is an icon."

A great white shark sank its teeth into the kayak of Ken Kelton off the California coast south of San Francisco. The shark tossed the plastic craft about for 10 seconds, then swam off. With water pouring in through the holes made by the great white, Mr. Kelton, 46, paddled back to shore, shaken but unharmed. The shark left teeth marks on his kayak 16 inches (40 centimeters) across. In recent days there has been a rash of sightings of great white sharks along the coast of northern California.

John Flack, a New York Times reader, reports that behind him in the line waiting to vote was a woman with a 3-year-old daughter. "First we sign the big book," the mother explained to the child, "and when it's our turn we go into the booth and close the curtain." As the woman prepared to enter the booth with her offspring, the daughter looked puzzled. "Mommy," she said, "is Bill Clinton behind the curtain?"

Arthur Higbee

Bush's Mother: A Guiding Hand

WASHINGTON — For President George Bush, a time of political loss has also become a time of personal grief. As his mother, Dorothy Walker Bush, 91, died Thursday, the president was deep in the melancholy task of preparing to turn over the keys of government to Bill Clinton. The president received the news by telephone from his sister, Nancy Ellis. The White House said Mrs. Bush died shortly after 5 P.M. at the family home in Greenwich, Connecticut. Her funeral will be Monday morning. Mr. Bush had flown on an air force executive jet to be at his mother's side earlier after hearing that she had had a stroke the previous night. He stayed a little more than an hour and returned to the White House.

In his autobiography, Mr. Bush called his mother and father, Prescott, the "most important people in my life," and he spoke often of his mother with love and pride. Although Mrs. Bush had been in declining health since suffering a series of small strokes and pneumonia, her 90th birthday in July 1991 brought the huge Bush family together in Kennebunkport for an extended celebration. All of the Bush children spoke of her with awe and affection, echoing the president's words in his autobiography. Mrs. Bush was born in Kennebunkport, Maine, to a wealthy Ohio businessman, George Herbert Walker. It is for Mrs. Bush's father that the president was named. She grew up in St. Louis and attended school in Connecticut, where she met and married Prescott Bush in 1921. The family settled in Connecticut in 1926, two years after the birth of George, their second son. Prescott Bush, a financier and businessman, eventually entered politics. He was elected to the U.S. Senate, serving from 1952 to 1963. He died in 1972. Mrs. Bush was rarely in the public eye, and the nation's knowledge of her came usually from tales the president would tell sheepishly of her efforts to keep him, as a child and as president, from being too self-important. She criticized him once when he appeared to be reading while President Ronald Reagan was making a speech. Even when he explained that he had been simply following Mr. Reagan's text, she suggested that he had shown a lack of manners. "Just listen and you'll find out what he has to say," she said. (AP, WP)



President George Bush with his mother, Dorothy, in 1989.

Leslie Hotson, Elizabethan Scholar, Dies

By Wolfgang Saxon New York Times Service Leslie Hotson, 95, a prolific Elizabethan scholar whose sleuthing in dusty record depositories shed light on some old literary puzzles, died Monday in North Branford, Connecticut, after a brief illness.

Mr. Hotson gained recognition with his first book, "The Death of Christopher Marlowe," which chronicled the violent end of Shakespeare's greatest predecessor. In 1959, that story had been shrouded in doubt and conjecture. Papers found in London's Public

Records Office allowed Mr. Hotson to document who killed Marlowe, why and how. His book was published by the Harvard University Press in 1925. Next, Mr. Hotson unearthed the letters that Shelley wrote to his divorced wife, Harriet. But it was chiefly as a Shakespearean detective that he remained in the public eye, sometimes to the annoyance of rival scholars who discounted his theories. His early work produced evidence of Shakespeare's father as a wool dealer and illuminator of Shakespeare's early years in Stratford-on-Avon.

Mr. Hotson was born in Delhi, Ontario. He attended Harvard University, earning his bachelor's, master's and doctor's degrees. He taught at Harvard, Yale, New York University and, finally, from 1931 to 1942, at Harvard College. In World War II he served as an officer in the Signal Corps. After the war he spent much of his time doing research in England. Major General Moshe Bar-Kochba, 62, an Israeli soldier who often clashed with colleagues over his hawkish views, died of a heart attack Thursday in Tel Aviv. He had retired two years ago. He was a senior adviser to the general staff, but complained that his recommendations were ignored. General Bar-Kochba, widely known as Brill, was born in Poland in 1930 and immigrated to Palestine 12 years later. Hermann Messing, 77, whose work on the psychological importance of skin contact between mother and child made him one of the leading sociologists of his generation, died of heart failure Wednesday in Amsterdam. He was retired Professor of Medical Science at the University of Utrecht. Dr. Messing argued that mother-child skin contact is essential for the child's healthy psychological and sexual development.

Ultraorthodox Rabbis in Jerusalem Win Battle to Save Ancient Ossuaries

JERUSALEM — Ultraorthodox rabbis won a battle with Israeli archaeologists on Friday, laying to rest ancient Jewish remains and a dispute that ignited three days of riots by religious Jews. Tensions were brought to the surface last week when bulldozers uncovered a Jewish burial site with bones dating from the period of the

Second Temple, destroyed by the Romans in A.D. 70. Archaeologists from the Antiquities Authority removed 16 stone ossuaries to save them from destruction, setting off the protests. Witnesses said the bones in their original ossuaries were buried in Jerusalem on Friday after the authority backed down from a decision to keep the vessels as archaeological artifacts.

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ART

A Master on His Home Ground

By Roderick Conway Morris

BASSANO DEL GRAPPA, Italy — Now more famous as a producer of the liquor recalled by the latter part of its name, historically Bassano is above all renowned for the painter Jacopo Bassano, who died 400 years ago this year.

The anniversary is the occasion of an impressive exhibition of more than 100 paintings and drawings by Jacopo and the family studio — at Bassano's Museo Civico until Dec. 6, then Jan. 23 to April 25, at the Kimbell Art Museum, Fort Worth, Texas. The show is accompanied by an admirably informative and beautifully produced catalogue.

One of Italy's most attractive and spectacularly situated towns, Bassano is built astride the River Brenta where it pours out of a gorge from the craggy Dolomites onto the lush Venetian plain. Spanning the Brenta's flow — green and placid in summer, but a turbulent torrent in spring — is a majestic covered wooden bridge designed by the 16th-century architect Palladio.

Jacopo's father's house-studio, where Jacopo was born around 1510, was close by the bridge, and hence the family was known locally as "dal Ponte" (the appellation Bassano being applied only further afield when Jacopo's fame spread). The young Jacopo, who soon revealed that his gifts greatly exceeded those of his workmanlike, but decidedly provincial, father, visited Venice from time to time and won the friendship and esteem of his fellow artists there. But he never seems to have been tempted to abandon his birthplace permanently.

The artist's independence from metropolitan Venetian pressures, said Professor W. R. Rearick of the University of Maryland, the exhibi-

tion's American organizer, had a profound influence on his work. "He was always experimenting and improvising," said Rearick. "He never took the attitude, 'I must play the game. I must satisfy my patrons,' he simply didn't have to do this."

Another positive consequence of staying close to his roots was that he continued all his life to draw directly on personal observation and experience, giving his portrayal of nature and country life in particular a rare power and immediacy. At first, in conventional fashion, rural backdrops and peasant actors played a secondary role in the depiction of biblical events, but as time went on, the landscape and country folk going about their tasks often took center stage, and thus Jacopo established a whole new genre of pastoral painting.

The studio Jacopo inherited from his father remained a family business to an extent unparalleled by any other major Renaissance artistic workshop, his brother and later his children helping both with paintings and the relentless production of everyday craft goods for the local market — from religious banners and decorated candles, to shop signs and sculpted marzipan for parties. The domestic facet of this teeming and industrious household, which eventually took over almost all the houses on their block by the bridge, is expanded upon in a separate exhibition, "The Family of Jacopo," at Bassano's Archivio di Stato, until Dec. 20.

The energetic and ambitious family nature of the enterprise, which helped raise the family from artisan status to that of honored citizens (exempted from paying local taxes), also had strange and tragic consequences. Francesco, outstandingly the most artistically talented of Jacopo's sons, moved to Venice and took over Fr-

ancesco's famous studio-residence in the north of the city after the old master's death. Receiving so many important commissions that, despite his father's regular visits to provide advice and support, Francesco was finally overwhelmed, he was apparently in a highly-wrought state when, one night, some unknown person began to beat on his door. Alone in the house and convinced that assassins had come to murder him, Francesco threw himself out of the window into the courtyard, and died of his injuries several months later, just a few weeks after his father succumbed to old age. Nevertheless, the Bassano studio went on cranking out "authentic" Bassano's for a good 50 years after the deaths of Jacopo and Francesco.

The upshot was that, though Jacopo was held in the highest regard by contemporary artists and buyers, and his works were internationally sought after for many years to come, overproduction and the sale of a plethora of often woefully inadequate studio pictures finally buried the jewels under an avalanche of dross.

SURVEYING the main hall of Bassano's Museo Civico, Rearick fondly reminisced about how he had bought his first Bassano as a schoolboy from two eccentric elderly sisters who ran an antique shop in his hometown for \$20.

This precocious hunch marked the beginning of a passionate pursuit and he and his Italian colleagues are now able to present a strikingly fresh reassessment of a painter for whom, in Rearick's words, "every painting was an adventure," and who "will once again surprise."

Roderick Conway Morris is based in Venice and writes for The New York Times and The Spectator.



Jacopo's "Fuga in Egitto" at the Museo Civico at Bassano del Grappa.

FOR SALE / SOLD

Paris charity: A sale of 133 couture dresses and accessories in Paris made \$70,000 francs (\$161,111) for a children's charity, La Fondation pour l'enfance. The outfits were collected by Anne-Aymone Giscard d'Estaing, wife of former President Valéry Giscard d'Estaing. The dresses included an evening dress donated by Olivia de Havilland, which was bought for \$1,000 francs by the Dior fashion house, which made it for the star in 1960. Another dress, which belonged to Princess Grace of Monaco, was sold for 40,000 francs. The sale drew buyers from Britain, the United States and Japan.

Sea trove: An 18th-century treasure of gold coins and ingots found off the coast of Uruguay in April will be auctioned in New York in March, Sotheby's said, adding it hoped it would bring more than \$2.5 million. The treasure, discovered by a salvage team off the coast of Montevideo, includes 1,650 gold coins, 320 silver coins, 40 gold ingots and two gold boxes. Sotheby's coins expert, Paul Song, estimated

the treasure would go for somewhere between \$2.5 million and \$3 million, despite initial estimates from the Uruguayan government after the discovery that it would sell for billions of dollars. Song said the actual value in gold and silver terms was even less, but that collectors might be willing to pay very highly for the rare coins, which date from 1744 to 1751. "The value is optimistic," Song said. "Some of these coins are probably the best known pieces that I've ever seen for this period. And they are in a mint condition."

Royal suit unsold: The Victoria and Albert Museum of London, which wanted to buy the 300-year-old embroidered wedding coat and breeches made for James, Duke of York, who became King James II in 1685, lost out after the price was raised on the eve of the auction, Christie's said. The suit remained unsold. The museum made the final bid from the floor of \$200,000 (about \$300,000). Aubrey Greene, Christie's spokesman, said the estimate was

raised on Monday to \$300,000, "which the museum had obviously not budgeted for and the suit remained unsold." The sum bid was a world record for any piece of costume, but the failure to sell means the record still stands at \$60,500, paid at Christie's in 1989 for a man's 17th-century doublet, a close-fitting jacket.

Heavy enamel: A pair of Japanese enamel vases bought for 50 pence at a village fête eight years ago fetched £19,800 at Sotheby's in London. The vases — made by Namikawa Soukei, one of the greatest Japanese enamellers of the Meiji period (1868-1912) — were bought by a New York dealer in Oriental art.

Hollywood wiser: The wine cellar of the late actor Yul Brynner is estimated to fetch up to \$150,000 when it is sold on Dec. 3, Christie's in London said. The collection appears to have been built up during the 1950s, when the actor's Hollywood career was at its peak. A highlight is a case of Chateau Latour 1961, worth an estimated £250 to £300 a bottle.

SOTHEBY'S NEW YORK

December Calendar

Each season Sotheby's auctions offer a variety of extraordinary works of art. We invite you to visit our gallery to see the range and diversity of what's coming up at Sotheby's. All sales are exhibited at least two days before each auction.

Illustrated catalogues are available at our offices and galleries worldwide. To order with a credit card, please call US (203) 347-0465 or UK (23-41) 841043. Sotheby's, 1334 York Avenue, New York, NY 10021. Sotheby's, 34-35 New Bond Street, London W1A 2AA.



A



E



B



D



A. A Greek terracotta head of a Goddess, Rhodes of Asia Minor, circa early 5th Century B.C., height 8 1/2 in. (21.5 cm.). Provenance from The Collection of Sotheby Schiullu. To be sold in New York 16 December. Estimate: \$30,000-40,000.

C. Ko-tsunari vase, circa 1860-1880, (total height 11 1/2 in. (29.2 cm.)). To be sold in New York 4 December. Estimate: \$15,000-20,000.

D. Faerno, Gabriello, Fabulae centum ex antiquis auctoribus delectae, Rome, 1564. To be sold in New York 16 December. Estimate: \$4,000-6,000.

E. Charles I (1625-1649), Return to London, 1693, struck gold medal by Nicholas Briot. To be sold in New York 24 December. Estimate: \$8,000-12,000.

B. A Western Tibetan bronze figure of Bhadrakambhanta, circa 13th Century. To be sold in New York 27 December. Estimate: \$10,000-15,000.

CALENDAR FOR DECEMBER

Table with 3 columns: Auction Number, Description, and Enquiries. Includes items like 'FINE CHINESE CERAMICS & WORKS OF ART', 'KOREAN WORKS OF ART', 'TRANSO ENERGY COMPANY COLLECTION', etc.

THE WORLD'S LEADING FINE ART AUCTION HOUSE SOTHEBY'S FOUNDED 1744

- Transition in the U.S.
GATT negotiations
Slaughter in Sarajevo
Mideast Peace Talks
Maastricht Ratification
Reform in China

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Herald Tribune INTERNATIONAL Published With The New York Times and The Washington Post

Advertisement for Andre Hauser gallery, featuring 'In Cologne Mostly Female' and 'Many Galleries'.

NYSE

Friday's Closing

Tables include the nationwide sales up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

NYSE Stock Div YAPF High Low A/P/D

Symbol	Price	Change	Volume	High	Low	A/P/D
IBM	100.00	+0.25	1,200,000	100.25	99.75	100.00
MSFT	45.00	+0.10	800,000	45.10	44.90	45.00
GE	35.00	-0.15	600,000	35.15	34.85	35.00
AMZN	18.00	+0.05	400,000	18.05	17.95	18.00
GOOG	25.00	+0.10	300,000	25.10	24.90	25.00
DIS	28.00	-0.05	500,000	28.05	27.95	28.00
WMT	32.00	+0.15	700,000	32.15	31.85	32.00
CVX	48.00	-0.10	900,000	48.10	47.90	48.00
MRK	38.00	+0.05	600,000	38.05	37.95	38.00
UNH	55.00	+0.20	400,000	55.20	54.80	55.00
BA	42.00	-0.10	500,000	42.10	41.90	42.00
AA	30.00	+0.05	300,000	30.05	29.95	30.00
GM	22.00	-0.05	400,000	22.05	21.95	22.00
F	15.00	+0.02	200,000	15.02	14.98	15.00
INTL	12.00	-0.01	150,000	12.01	11.99	12.00
SPY	180.00	+0.50	5,000,000	180.50	179.50	180.00

Symbol	Price	Change
IBM	100.00	+0.25
MSFT	45.00	+0.10
GE	35.00	-0.15
AMZN	18.00	+0.05
GOOG	25.00	+0.10
DIS	28.00	-0.05
WMT	32.00	+0.15
CVX	48.00	-0.10
MRK	38.00	+0.05
UNH	55.00	+0.20
BA	42.00	-0.10
AA	30.00	+0.05
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IBM	100.00	+0.25
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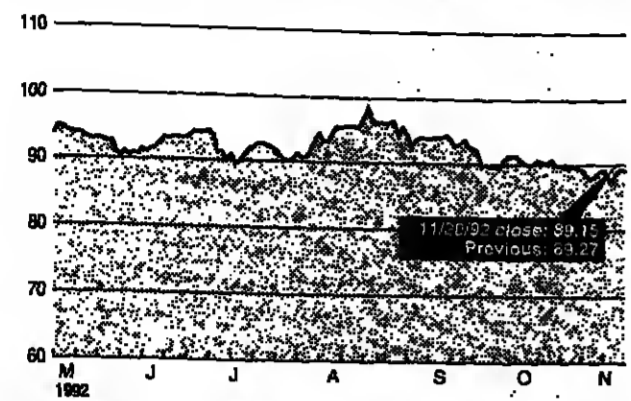
Forward Rates

(Continued on page 13)



THE TRIB INDEX: 89.15

International Herald Tribune World Stock Index... composed of 230 internationally investable stocks from 20 countries...



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland.

Table with 3 columns: Asia/Pacific, Europe, N. America. Each column shows index values and percentage changes for various regions.

Table titled 'Industrial Sectors' with columns for Energy, Utilities, Finance, Services, Capital Goods, Raw Materials, Consumer Goods, and Miscellaneous. It lists index values and percentage changes.

ECONOMIC SCENE

Slow Reform to Save It, Russians Are Now Advised

By Peter Passell, New York Times Service. NEW YORK — Is Russia's dash for capitalism about to be derailed by mismanagement and a popular backlash? With inflation pushing 30 percent a month and hostile legislators poised to sabotage the transition plan when they convene next month, many analysts think it is time for reformers to beat a tactical retreat.

Tokyo to Germans: No, Thanks

Spending to Fall Next Year

By Steven Brull, International Herald Tribune. TOKYO — When Germany's economics minister, Jürgen Möllemann, visited Japan's powerful business federation, Keidanren, on Friday, he asked its chairman to urge members to step up investment in Germany.

Bundesbank To Keep Rates On Tight Leash

By Brandon Mitchener, International Herald Tribune. FRANKFURT — Germany's leading interest rates are on a tight leash and unlikely to rise or fall much in the near future, the Bundesbank president, Helmut Schlesinger, said Friday.

ING Finds That Frugality Is a Virtue

Compiled by Our Staff From Dispatches. AMSTERDAM — Internationale Nederlandse Groep NV's dream of achieving a leading position in Europe's financial-services industry has been shattered by its aborted bid for Banque Bruxelles Lambert SA.

Japan's Dairy Farmers Are Girding for Battle Over Butter and Milk

TOKYO — Dairy products will be the next battleground between Japanese and foreign farmers, with any GATT agreement making it increasingly hard to keep skim milk and butter out of Japan, officials and economists said on Friday.

In Japan, the Check Is With the Mail

By James Sterngold, New York Times Service. TOKYO — Japanese depositors, concerned over the financial health of the nation's banks and insurance companies, are flocking to these institutions for the safety of the government-controlled postal savings and insurance systems.

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CURRENCY & INTEREST RATES

Large table containing currency exchange rates and interest rates for various countries and financial instruments.

Tokyo Meeting Of G-7 Is Set For July 7 to 9

TOKYO — Japan announced Friday that next year's meeting in Tokyo of the Group of Seven industrial nations would be held from July 7 to 9.

Advertisement for AROLEASING SA, featuring the slogan 'ADD FULL EFFICIENCY TO YOUR BUSINESS TRIPS' and 'CHOOSE THE AROLEASING CLASS'. It lists worldwide destinations and contact information.

MARKET DIARY

Economic Hopes Send Dow Higher

NEW YORK — Prices on the New York Stock Exchange rose Friday, as traders reassessed the prospects for a stronger U.S. economy and expressed relief that a trade war with the European Community had been avoided.

The Dow Jones industrial average rose 17.83 to close at 3,227.36, ending the week with a loss of 5.67 points. Standard & Poor's 500 index soared 3.04 to an all-time closing high of 426.65.

For every five common stocks that fell on the NYSE, nine rose. Trading was the most active since Oct. 20, with more than 256 million shares changing hands on the Big Board. Some of the demand for stocks came from traders seeking to purchase shares they had sold short in anticipation of Friday's "double-witching" hour, the expiration of individual stock options, stock-index options and stock-index futures.

U.S. economy and corporate earnings will improve next year means that stocks are the place to be, said Abbe Coussa, strategist in stock-index futures at Lehman Brothers. Seeing the S&P 500 climb to a record, investors plowed cash into the market to avoid missing out on the rally, traders said. "It's just feeding on itself," said Lance Zipper, head of over-the-counter trading at Kidder Peabody.

TURMOIL: Realignment Looms

(Continued from page 1) account a large part of whatever change may occur through realignment. "It's hard for speculators to make a profit," Mr. Drobny said. "What we see are real flows of investors moving out of currencies."

The fundamental problem for all of the EC countries whose currencies are in the exchange rate mechanism is the excessively high level of interest rates they are obliged to maintain in order to stay linked with the mark.

Foreign Exchange

Analysts see at least another 5 percent reduction as necessary. The escudo is expected to drop by 7 percent and the punt by at least 5 percent. Norway's central bank raised its key overnight lending rate to 17 percent from 10 percent and the central bank also limited the banks' access to refinancing funds, driving call money in the interbank market to over 100 percent.

The French franc weathered a massive attack in September with heavy support from the German central bank. But the key difference between now and two months ago is that the devaluations of sterling, the peseta and the lira have driven up the franc's effective exchange rate by around 9 percent — a heavy charge for French industry — without any significant compensating gain in the way of lower interest rates.

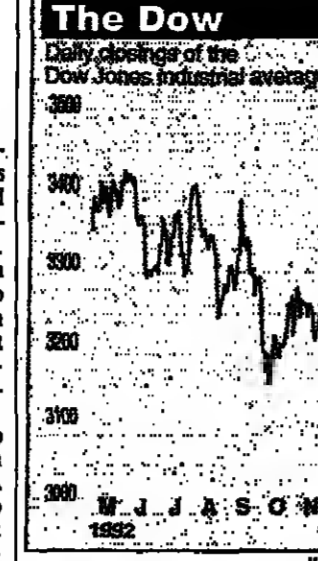
World Stock Markets

Table with columns for Market, High, Low, Close, Change. Includes Amsterdam, Brussels, Frankfurt, London, Madrid, Milan, Sao Paulo, Singapore, Zurich, Tokyo, Hong Kong, Helsinki, Johannesburg, and various regional markets.

AMEX Stock Index

Table with columns for High, Low, Close, Change. Includes Composite, Industrial, Utilities, and NASDAQ Index.

The Dow



U.S. J. & S. O. W. 1982

Dow Jones Averages

Table with columns for Index, High, Low, Close, Change. Includes Industrial, Composite, and NYSE.

Standard & Poor's Indexes

Table with columns for Index, High, Low, Close, Change. Includes Industrial, Composite, and NYSE.

NYSE Indexes

Table with columns for Index, High, Low, Close, Change. Includes Composite, Industrial, Utilities, and NASDAQ.

NASDAQ Indexes

Table with columns for Index, High, Low, Close, Change. Includes Composite, Industrial, Utilities, and NYSE.

AMEX Stock Index

Table with columns for High, Low, Close, Change. Includes Composite, Industrial, Utilities, and NYSE.

Dow Jones Bond Averages

Table with columns for Index, High, Low, Close, Change. Includes 30 Year, 10 Year, and 5 Year.

Market Sales

Table with columns for Index, High, Low, Close, Change. Includes NYSE, AMEX, and NASDAQ.

N.Y.S.E. Odd-Lot Trading

Table with columns for Index, High, Low, Close, Change. Includes NYSE, AMEX, and NASDAQ.

S&P 100 Index Options

Table with columns for Index, High, Low, Close, Change. Includes Call and Put options.

EUROPEAN FUTURES

Table with columns for Index, High, Low, Close, Change. Includes DAX, CAC, and FTSE.

Food

Table with columns for Index, High, Low, Close, Change. Includes Soybean, Corn, and Wheat.

Stock Indexes

Table with columns for Index, High, Low, Close, Change. Includes NYSE, AMEX, and NASDAQ.

Industries

Table with columns for Index, High, Low, Close, Change. Includes Chemical, Energy, and Tech.

Spot Commodities

Table with columns for Index, High, Low, Close, Change. Includes Oil, Gold, and Silver.

Dividends

Table with columns for Index, High, Low, Close, Change. Includes Dividend Yield and Payout Ratio.

Financial

Table with columns for Index, High, Low, Close, Change. Includes Bond and Money Market.

LONG GILT (LIFED)

Table with columns for Index, High, Low, Close, Change. Includes Long Gilt and Short Gilt.

U.S. FUTURES

Table with columns for Index, High, Low, Close, Change. Includes Soybean, Corn, and Wheat.

Grains

Table with columns for Index, High, Low, Close, Change. Includes Wheat, Corn, and Soybean.

SOYBEAN OIL (LIFED)

Table with columns for Index, High, Low, Close, Change. Includes Soybean Oil and Soybean Meal.

Livestock

Table with columns for Index, High, Low, Close, Change. Includes Cattle, Hogs, and Poultry.

Food

Table with columns for Index, High, Low, Close, Change. Includes Sugar, Coffee, and Cocoa.

COFFEE (NYSCG)

Table with columns for Index, High, Low, Close, Change. Includes Coffee and Cocoa.

SUGARWORLD II (NYSCG)

Table with columns for Index, High, Low, Close, Change. Includes Sugar and Cocoa.

COCOA (NYSCG)

Table with columns for Index, High, Low, Close, Change. Includes Cocoa and Sugar.

U.S. / AT THE CLOSE

Monsanto Plans to Cut 3,200 Jobs

ST. LOUIS, Missouri (Combined Dispatches) — Monsanto Co. said Friday that it would cut 3,200 jobs and consolidate, close or sell some businesses to save about \$200 million a year.

LTV Trims Back Pension Settlement

DALLAS (Bloomberg) — LTV Corp. said Friday that it had reached a new agreement with the federal pension insurance agency that would lower its initial repayment to its steel workers' pension funds by \$100 million.

Freeport Buying Into Ercros Units

MADRID (Reuters) — The troubled Spanish chemical group Ercros SA, controlled by the Kuwait Investment Office, said Friday that Freeport McMoran Inc. of the United States would take majority control of its fertilizers and mining divisions.

For the Record

Uplon Co. announced Friday an agreement with Boehringer Ingelheim Corp. of Germany to jointly develop and market four compounds worldwide to treat central nervous system disorders. (UPI)

Chrysler's Iacocca Cashes In

WASHINGTON (Bloomberg) — Lee A. Iacocca has cashed in on his two-year effort to regain Wall Street's confidence in Chrysler Corp. The 63-year-old executive, who plans to retire as Chrysler's chairman on Dec. 31, earned \$5.4 million in profit last year by exercising stock appreciation rights, the complicated securities that companies often include in executive compensation packages.

U.S. / AT THE CLOSE

U.S. / AT THE CLOSE

U.S. / AT THE CLOSE

Table with columns for Index, High, Low, Close, Change. Includes NYSE, AMEX, and NASDAQ.

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Air Cargo Gets Lift in Asia

Just-in-Time Delivery Shapes a 'Logistics Revolution'
By Michael Richardson
International Herald Tribune

SINGAPORE — International airlines and air-cargo companies are rapidly expanding just-in-time delivery services in an effort to gain a larger share of the growing Asia-Pacific air-cargo market. Executives say air freight has become a key factor for future profitability as industrialization spreads across Asia, causing a surge in demand by firms for delivery of perishable goods, components and finished products just before they are required.

NTT Blames Competition For 34% Fall In Earnings

By Michael Richardson
International Herald Tribune

TOKYO — Nippon Telegraph & Telephone Corp. reported Friday a 34 percent slump in half-year profit, complaining of increased competition for long-distance phone calls. The telecommunications giant said net profit for the six months to Sept. 30 was down to 45.60 billion yen (\$370 million), from 69.54 billion yen in the year-earlier period.

Taiwan Downturn Laid to World Slump Export Pinch Slows Growth

Compiled by Our Staff From Dispatches
TAIPEI — In a signal that the world downturn is gradually affecting Asia, Taiwan on Friday sharply lowered its estimates of economic growth for the third and fourth quarters, as well as for the first half of next year.

The Cabinet's Directorate General for Budget, Accounting and Statistics said Taiwan's gross national product grew 5.16 percent in the third quarter, nearly a full percentage point less than the 6.08 percent predicted three months ago and the slowest since 3.56 percent in the third quarter of 1990. Slow worldwide economic growth, higher imports of consumer goods, slower manufacturing, adverse weather and delays in government construction projects were cited as causes for the downward revision, the government said.

Investor's Asia

Table with columns for Hong Kong (Hang Seng), Singapore (Straits Times), and Tokyo (Nikkei 225). Includes a line graph showing index trends from 1982 to 1992 and a table of daily index changes.

Very briefly:

- Hong Kong stocks held off the bears Friday amid a new flare-up in the war of words with China, this time over the new airport project, but analysts warned of more volatility in the days ahead.
• Kabota Corp., the farm-machinery maker, said pretax profit in the first half fell 21.3 percent to 10.4 billion yen (\$84 million), from 13.3 billion yen; net profit rose to 2.11 billion yen, from 1.82 billion yen.

Nomura Posts Its First Loss Ever

TOKYO — Japan's long bear market has dragged Nomura Securities Co.'s consolidated operations into the red for the first time. Nomura, Japan's largest broker, reported Friday a group net loss of 7.5 billion yen (\$60.5 million) in the six months ended Sept. 30, according to U.S. accounting principles, its first loss since it started reporting group results in 1973. That compared with a profit of 22.14 billion yen in the half a year earlier.

China Bars New Exchanges

BEIJING — The government has imposed a three-year ban on opening any new stock exchanges, but is under increasing pressure to rethink the decision, an official newspaper reported Friday. The move was aimed at laying down a legal framework to standardize the country's stock markets, the China Daily said.

Corporate Profits Off

Major Japanese companies' pretax profits fell an average 32.1 percent in the six months ended Sept. 30, according to Wako Research Institute of Economics Inc.

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Large table titled 'INTERNATIONAL FUNDS' listing various investment funds with columns for fund names, managers, and performance metrics. Includes sub-sections for 'INTERNATIONAL FUNDS' and 'OTHER FUNDS'.

Nov. 20, 1992

Table listing various international funds with columns for fund names, managers, and performance metrics. Includes sub-sections for 'INTERNATIONAL FUNDS' and 'OTHER FUNDS'.

THE MONEY REPORT

Saturday-Sunday, November 21-22, 1992 Page 16

FIRST COLUMN Eurobonds Go Regional A la Basque

EVER since the collapse of communism, investors in Europe have been waiting for the new world order to come to market. But looking to the East for new investment opportunities hasn't been very rewarding yet. Now comes an offer from an unusual source.

The Eurobond market this past week witnessed the first international debt offering from the Basque regional government in Spain. The Basques, who seek greater autonomy from the Spanish government, say they want investors to get to know them and plan to borrow even more in the future.

Although a first for the Basques, the issue isn't exactly unprecedented. Regional governments, such as Canada's provinces or Australia's states, have long sold bonds on the international market in their own name. Those regions may not have their own independence-minded terrorist organizations, like the Basque region's ETA, but markets are supposed to be able to account for things like political risk.

Investment, after all, is all about choice. That was an easy fact to lose sight of not too long ago. Until last spring, advisers were steering money fast into Europe's high-yielding bond markets in what seemed like an easy one-way bet: Rates would fall to German levels as Europe sped toward economic and monetary union. Referendums in Denmark and France and September's currency blow-out put an end to that rosy scenario.

Now, bond buyers are spoiled for choice, and they will have to choose carefully. Sweden, Finland, Britain, Italy—all are borrowing heavily to repay their currency IOUs. In the wake of September's crisis, investors have to take a much closer look at the borrowers' economic performance, as well as their political stability. Not only are many governments shaky, but groups like the Lombard League in Italy, as well as some Basques, show that separatism is alive in the West as well as the East. Add to all this the knowledge that hopefuls like Hungary and Poland are preparing plans to tap Western investors with debt issues.

The emerging market of the 1990s, with all of the usual risks and potential rewards, might just be the bond market.

German Stocks: Is It Time to Buy?

By Philip Crawford

THE DAX index of German equities has recovered just mildly from the two free-falls it experienced between May and the end of September. Each day seems to bring more news of lowered earnings forecasts for blue-chip German companies. Some pundits are even predicting a deep and prolonged recession for the same economy that not long ago was widely perceived as a soon-to-be Euro-dominating juggernaut.

But part and parcel with doomsday scenarios, as investors well know, goes the jinx-quickening endeavor of trying to gauge the bottom of the market, the point where fundamentally sound stocks with encouraging prospects can be had at a good price.

Analysts of German equities, while of varying opinions regarding which stocks remain attractive amid the gloomy climate, nonetheless agree that some diamonds in the rough do exist for investors, however few and far between they may be. Many add that the prospects for German equities overall depend on whether the Bundesbank lends a stimulus by cutting interest rates again by early 1993, and also on the continued strengthening of the U.S. dollar against the Deutsche mark.

"If you look at the last three years, the German equity market has had a very strong correlation to the health of the dollar," said Jürgen Callies, European strategist for Bayerische Vereinsbank Group in Munich. "And lower interest rates in conjunction with a stronger dollar, which helps Germany's exports, should provide impetus, although that's going to take some time. In the meantime, there are still some equities which show positive signs."

Although few market-watchers are high on the banking sector in general, Deutsche Bank AG is getting more than a few nods from analysts. Despite the slumping economy, first-half operating profits were up 2.6 percent over a year ago to 3.06 billion deutsche marks (\$1.92 billion). Moreover, the Munich-based banking giant has bought majority stakes this year in two German insurers, Deutsche Herold AG and Gerling Versicherungen AG, acquisitions which some analysts see as good long-term moves.

"Deutsche Bank is attractive primarily because of the security of its outstanding portfolio," said Jon Dugstad, an analyst with Barclays de Zoete Wedd in Frankfurt. "It also has fundamentally the best balance sheet of the major banks."

In the automotive sector, a traditional German powerhouse both domestically and internationally, most of the news is bad. This past week, Daimler-Benz AG announced that its group net profit would drop by about 23 percent in 1992 to 1.5 billion marks, and further said that a work force reduction of about 40,000 is planned by the end of 1994. Both Volkswagen AG and Porsche AG have also had poor years.

The sole bright spot, and a recommendation of many analysts, is Bayerische Motoren Werke AG. BMW's worldwide unit sales have increased 9 percent to about 500,000 during this year's first 10 months, resulting in a 6 percent revenue increase to 25.5 billion marks over the same period in 1991. In the key U.S. market, 10-month sales rose a hefty 25 percent to about 54,700 cars. "BMW is attractive," said Mark Edmiston, German market analyst at Goldman Sachs in London. "They're clearly bucking

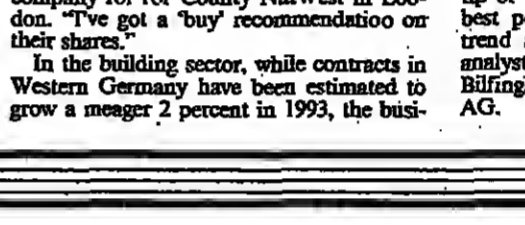
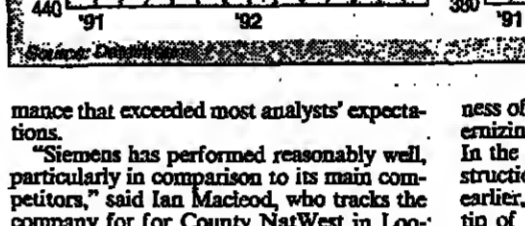
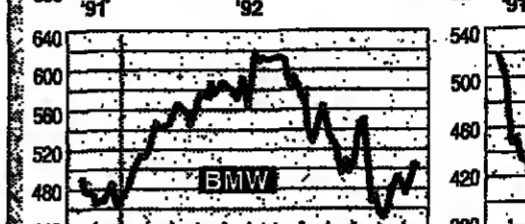
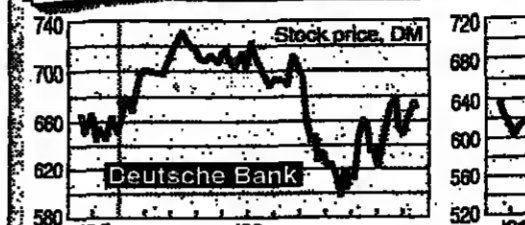
the downward trend for German auto-makers."

Some analysts like the prospects of German retailers, with department store giant Kaufhof AG and perfumery Douglas Holding AG being most frequently mentioned as good buys. Kaufhof's first-half sales rose 12.8 percent to 8.9 billion marks, and earnings per share have been estimated at 26 marks this year and 30 marks next year, compared with 23.8 marks in 1991. Douglas's operating profit was down for this year's first half, but sales were up 6 percent to 1.4 billion marks.

"German consumers are back in the shops and buying," said James Cornish, European market strategist at County NatWest Securities in London. "The retail sector as a whole was up 3.2 percent for the year ending in September, and the strong holiday season is upon us."

But another German market specialist, Frank Jonschat of Kleinwort Benson Securities, disagreed: "I think the retail sector will be flat in 1993," he said. "First of all, Germany is headed toward recession. Secondly, the VAT is going up one point to 15 percent on Jan. 1. This is not a time when consumers are inclined to rush out and buy things."

Mr. Jonschat said that the current best bets are companies which stand to benefit from investment in Eastern Germany, adding that he felt the electrical engineering and building sectors fell best under that rubric. Indeed, Siemens AG, the Munich-based electrical engineering and electronics giant, is being cited frequently by analysts as another company that is managing to navigate skillfully Germany's choppy economic waters. Last week, the company announced that net profit in the year ended Sept. 30 rose 9 percent to 1.95 billion marks, a perfor-



BRIEFCASE

French Fund Association Establishes Ethics Code

The industry group that sets standards of conduct for French fund management companies has established a code of ethical practice with 105 of its 165 member firms that could lead to a better shake for investors buying shares in their funds.

A report on the French Association of Portfolio Management Companies' code by the international law firm Clifford Chance identifies three main points:

- Portfolio managers must give clients the best possible information on their funds, particularly regarding their fees.
• Rules must be set up to identify transac-

tions for the management companies' own trading accounts.

• The companies will have to set up a system of rules designed to minimize the potential for conflict of interest. One of the provisions will be that managers must permanently protect their clients' interests.

The report notes that the code, which was encouraged by the regulatory Stock Exchange Commission, which is expected to officially endorse it, must have enough teeth to guarantee compliance as best as possible. Companies that break the code will either have the fact made public through the press or, in certain cases, will be expelled from the association.

Chicago to Offer Options On Small-Company Index

The Chicago Board Options Exchange said it would list short- and long-term options on the Russell 2,000 index of American small-capitalization stocks. The listing reflects the recent popularity of smaller companies. Since the start of 1991, the Russell index has risen 60 percent, twice the gain of Standard & Poor's index of 500 larger companies.

The issues in the index are the 1,000th through 3,000th biggest American stocks, notes Frank Russell Co., which developed it.

Shearson Offering Advice To Pension Plan Members

Shearson Lehman Brothers is becoming the first financial services company to offer investment advice to individual participants in 401(k) plans, the pension accounts offered by many American businesses to their employees.

The program, called 401(k) Trak, allows participants to place their holdings in up to six portfolios among 12, which are divided roughly evenly among equity and fixed-income investments.

The plan "utilizes risk-tolerance analysis and state-of-the-art asset allocation techniques to make recommendations," Shearson says in a statement, "helping participants make intelligent choices based on their financial goals."

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Vertical advertisement on the right edge of the page, partially cut off, featuring a line graph and the text 'Share the Recession and...'.

THE MONEY REPORT

U.K. Mutual Funds Cut the Risks

By Rupert Bruce

THE HEADY days when Prime Minister Margaret Thatcher's government talked of turning Britain into a nation of shareowners are gone...

tract funds back from deposit accounts.

Its cash unit trust, which offers an interest rate of 8.4 percent gross, has been revamped to make it simpler...

because it aims to ensure that investors get all their capital back...

How successful the Stabilizer Growth Range will be remains to be seen...

"We certainly have done a lot in the last couple of years to broaden the product range and move away from just equity products because our feeling is that investors have become much more aware of the volatility in stock markets..."

Another investment manager that has launched a "guaranteed" product, Henderson Administration, is seeking to improve its fortunes by acquiring rival Touche...

The logic behind the deal is typical of the small number of similar acquisitions that have taken place...

Charges on Downward Spiral

International Herald Tribune

HAND IN hand with the tough times being faced by Britain's mutual fund business is a downward movement in charges...

The bond fund initiative has been copied by many other managers...

Quite how aggressively British unit trust companies will compete on charges is difficult to judge...

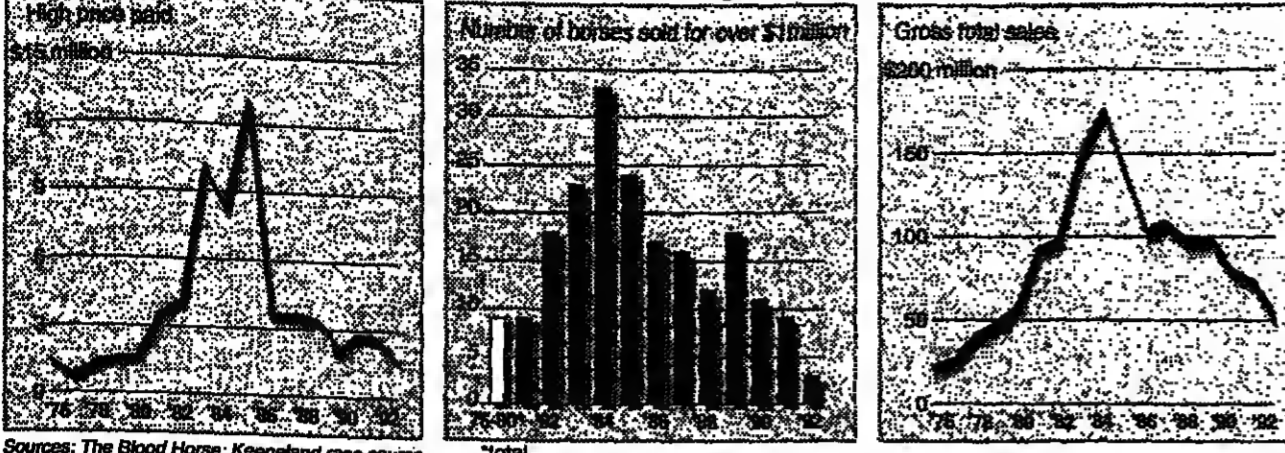
Fidelity Investments has been the market leader. It reduced the initial charge on its bond funds from 5.25 percent to 3.5 percent...

But Mary Blair, product development director at Fidelity, believes a floor is set by the necessity of remunerating the financial advisers...

Rupert Bruce

Thoroughbred Performance

Results of the July yearling sales at Keeneland race course in Lexington, Kentucky, 1978-92.



Share the Horse and the Handicap

By Aline Sullivan

FEW INVESTMENTS generate as much excitement as owning a racehorse. For private investors who regard buying a whole animal as too heavy an expense...

spread the risk and expense of the horse," said Mr. Hickey in a guide to equine syndicates. "I can also enable investors to purchase interests in several horses, thereby increasing the chances of success."

Britain, which has some of the world's most prestigious races, provides some of the lowest returns. Average winnings in flat races were \$9,100 last year, up from \$8,700 a year earlier.

"The great thing would be to own a stallion that wins races and then is let out for stud," said Mr. Seel. "Those horses make millions."

Now is a good time to buy horses because values are well down on last year, said Peter Bickmore, managing director of the British Bloodstock Agency in Newgate. "But it is a high-risk business. Some horses make millions for their owners but the majority lose money."

Racing or showing syndicates tend to be the most attractive to newcomers because they provide the greatest excitement and shortest wait for returns. They are usually run by a trainer or manager while investors share in the horse's livery, boarding and even expenses.

Members of broodmare syndicates may also find it worthwhile to join a stallion syndicate, obtaining the right to send their mares to the stallion each year free of charge. Members pay a fixed fee to a syndicate manager, who is responsible for the care, promotion and management of the stallion.

Mr. Bickmore said that investors were usually better advised to set up their own syndicates. "There are racing clubs in most countries that buy a lot of horses and add together the purchase price and estimated expenses and then sell shares," said Mr. Bickmore.

Tracking the Issue of Stock Indexation

By Karina Robinson

TALK TO fund managers about indexation and the light of the zealot appears in their eyes. They are either strongly for or strongly against it, but new developments mean there is room for compromise.

Global indexed funds, especially, will have that problem. James Chalmer, a director at the London-based investment advisers Emriage, mentioned the case of Japan. "When the Japanese stock market was 40 percent overvalued, global funds tracking the FT-Actuaries World Index ended up in an overvalued stock market," he said.

The situation is very different in Continental Europe. Hans Kaufmann, strategist at Bank Julius Baer in Zurich, said, "We are five years behind the Anglo-Saxons. In Switzerland, there is only the SBC 100 fund, otherwise it is very unpopular. But several banks are thinking of creating indexed funds."

A new development aims to bring together the best of both passive and active fund management. Called alpha timing, it involves using an index and adding in an investment manager's favorite stocks but in such a way that the divergence from the index is limited.

Indexation consists of buying a basket of securities that more or less replicates an index such as the FT-SE 100—the 100 stocks by market capitalization on the London Stock Exchange—or the Morgan Stanley Capital International (MSCI) World Index, which encompasses a huge number of stock markets.

Indexation is most popular in the United States. From 30 percent to 35 percent of U.S. pension funds are indexed compared with 22 percent in Britain. Figures from BZW Investment Management provide a succinct example of growth in Britain. In 1982, they had no indexed funds; in 1988, they had £2 billion, and this year they have £11 billion.

Yet, the rate of growth is bound to be superior in the United States as the international diversification drive by American pension funds continues at high speed. Their overseas investments have already almost doubled in less than four years, to 4.4 percent at the end of 1991, according to consultants Greenwich Associates. In another three years the amounts are expected to increase to more than 7 percent.

U.S. investment managers lean toward indexing those outflows abroad while U.K. managers are already global investors, familiar with foreign stock markets and the individual companies listed on them. They are mainly looking at indexing domestic funds, if anything.

An index is generally not exactly replicated. Instead, an optimized version is used that minimizes the tracking error possible to under 1 percent. For example, indexed funds could hold 300 companies instead of the 1,000 plus in a global index. Computerization plays rather a large part in this.

Indexed country funds are a different beast. International fund managers are taking a positive long-term view on, say, the Thai stock market. But where the less mature markets are concerned, a different view is held by the proponents of active stock picking such as Mark Breddon, portfolio manager of Alliance Capital's Spain Fund.

"The equity market in Spain is inefficiently priced; it is underpriced in terms of quality, and individuals and institutions will still hold companies for tax purposes rather than maximum gain," he said. "It is still possible with good research to outperform the market." Since its inception in June 1987, his fund is up 32.8 percent while the Madrid index is up 17 percent.

The proponents of indexation are gaining ground in Britain. Familiarity with the concept is one of the reasons, while several well-pub-

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SPORTS BASEBALL

Cy Young Winner Eckersley Is Most Valuable, Too

By Murray Chass

NEW YORK — Benefiting from an abundance of talent in his right arm and an abundance of talent in Toronto, Dennis Eckersley registered his second post-season electoral victory.

Eckersley, who last week won the Cy Young Award as the best pitcher in the American League, won the league's Most Valuable Player Award on Thursday by a hefty margin over Kirby Puckett of Minnesota and three members of the World Series champion Blue Jays — Joe Carter, Dave Winfield and Roberto Alomar — as well as his Oakland teammate Mark McGwire.

The Athletics' superb relief pitcher became the ninth player to win both awards in the same season, following Roger Clemens (1986), Willie Hernandez (1984), Rolfie Fingers (1981), Vida Blue (1971), Denny McLain and Bob Gibson (1968). Sandy Koufax (1963) and Doo Newcombe (1956). Pitching at the age of 37 (he turned 38 the next-to-last day of the season), Eckersley is the oldest to achieve the post-season double.

"I may not have played nine innings every day, but I sure did grind," said Eckersley, who carried the honor by converting 51 of 54 save opportunities. "I was nervous for nine, so if that counts, I was ready every day."

The 28-member panel of the Baseball Writers Association gave Eckersley 15 first-place votes and 306 points. Puckett was second with 209 points, followed by Carter, 201; McGwire, 155; Winfield, 141 and Alomar, 118.

Those other five players divided the rest of the first-place votes, with 3 going to Puckett, 4 to Carter, 1 to McGwire, 2 to Winfield and 3 to Alomar. All voting was done before the post-season games.



Said Dennis Eckersley, the Oakland Athletics' ace reliever: "I may not have played nine innings every day, but I sure did grind."

Although no explanations accompanied the ballots, the results of the voting indicated that at least some writers could not decide which of the three Toronto players was most valuable. Carter also received a second-place vote, Winfield 5 and Alomar 4.

The uncertainty over the Blue Jays' relative value might have prompted some voters to decide to vote instead for Eckersley, who won the Cy Young Award with a comfortable margin of 107-51 over Jack McDowell of Chicago.

That is not to say that Eckersley was in any way undeserving of the MVP. The Athletics, wracked by injuries, won the Western Division championship, and the two people most responsible for their success have never been rewarded. Tony LaRussa was named AL manager of the year earlier this month.

"Part of me was waiting by the phone because I thought I deserved it," Eckersley said Thursday. "It's hard to say because I'm not that cool to think I deserved an MVP. But if there was any time in my whole life I thought I deserved it, it is the moment."

Eckersley, this is his eighth and ninth time in his first 36 save opportunities, finally squandering an opportunity on Aug. 8 against Kansas City.

In all, the reliever failed to get a save only three times, giving him a five-year record of 220 saves in 246 opportunities. Perhaps his worst performance of the year came in the fourth game of the league championship series against the Blue Jays, when Toronto overcame a 6-1 lead in the eighth and ninth innings against Eckersley and won in the 11th, 7-6. But that was a postseason error that did not count in the Cy Young or MVP voting.

Miami Defense Should Decide An Oilers-Dolphins Thriller

NEW YORK TIMES SERVICE

OILERS (6-4) at DOLPHINS (7-3)

Key stat: Oilers have three receivers with 50 or more catches, led by Haywood Jeffries with 65; Dolphins' defense allows 16.8 points per game. Comment: Miami has its hands full with upset Houston. Cody Carlson is a more than capable backup to injured Warren Moon and running back Lorenzo White (783 rushing yards, 299 receiving yards) is having his finest season. The Houston defense was stout and relentless in the team's victory at Minnesota. Every indication is that this game will be a thriller, with the Dolphins showcasing just enough defense to win. The Dolphins are favored by 3½ points.

FALCONS (4-6) at BILLS (8-2)

Key stat: Before beating Phoenix, Falcons had allowed an average of 16.3 rushing yards in previous three games; Bills' defense allows 14.2 points per game at home. Comment: Atlanta makes its first trip to Rich Stadium since 1980, and after this one it will want another decade between trips. Out of its cozy dome, the Falcons will find Buffalo's cold and the Bills offense too much to bear. Buffalo is doing an excellent job of featuring the league's most versatile back, Thurman Thomas, and the Bills' defense is making strides. It adds up to a lopsided affair. Bills by 13.

BROWNS (5-5) at VIKINGS (7-3)

Key stat: Browns allowed 13 sacks in first two games and only 11 in last eight; Vikings have returned six turnovers for touchdowns. Comment: Cleveland is 0-2 with Bernie Kosar as starting quarterback and 4-3 with Mike Tomczak. Kosar could return from broken ankle suffered in second week but neither he nor Tomczak can solve the Vikings' opportunistic defense. Minnesota rights itself after a close loss to Houston and looks for strong rebound from quarterback Rich Gannon, who was only 9-of-28 for 111 passing yards against Houston. Vikings by 9.

LIONS (2-8) at BENGALS (4-6)

Key stat: Lions made 10 turnovers in first eight games and lost 10 more in last two; Bengals' running back Eric Green has a long run of 52 yards but only one rushing touchdown. Comment: The season began full of optimism and then sank miserably for Cincinnati. The Lions opened with a last-second loss at Chicago and have never fully recovered, displaying ineptitude in every facet. Bengals by 20.

PACKERS (4-6) at BEARS (4-6)

Key stat: Packers have lost seven of the last eight at Soldier Field; Bears have 295 fewer return yards than their opponents. Comment: This season has obviously taken its toll on Chicago's coach, Mike Ditka, who initially points fingers everywhere but at himself. Sure, he'll take some blame for his team's rapid fall, but only after ridiculous public tirades at his players. Only playing the Packers, a team the Bears know quite well and still have a mystical hold over, prevents Chicago from losing its fourth straight game. Bears by 3½.

COLTS (4-6) at STEELERS (7-3)

Key stat: Colts are 0-5 at Pittsburgh; Steelers have AFC-best 1,368 rushing yards, all but 319 of it gained by Barry Foster. Comment: Jeff George is out with a broken hand and Jack Truett starts at quarterback for the Colts. Pittsburgh's defense has 17 interceptions, one fewer than top-ranked Minnesota, and the Steelers' pass rush will make Truett run for cover most of the afternoon. The Colts' defense is over-matched against the Steelers' offensive line and Foster, the NFL's top-ranked rusher. Pittsburgh closes in on the AFC Central title. Steelers by 12.

EAGLES (6-4) at GIANTS (5-5)

Key stat: Eagles' defense allowed an average of 11 points and a total of 496 rushing yards in its first seven games but an average 19 points and a total 415 rushing yards in its last three games. Comment: The cumbersome Eagles' offense has become quite a burden on the Eagles' over-weighing defense, but that alone does not explain the slip on defense. Philadelphia has too many defensive players missing, and too many tacklers shooting through holes past ball carriers. Can the Eagles take advantage of the mishaps? Yes, but not enough to matter in a series where they have lost seven of the last eight. The Giants' shaky passing game once again comes up short. Eagles by 3½.

JETS (3-7) at PATRIOTS (1-9)

Key stat: Jets have won three straight at New England; Patriots' Scott Zolak was 20-of-29 for 261 yards in his first pro start in victory over Indianapolis. Comment: The Jets have won two straight for the first time this season and look for more against a team that last week avoided the threat of the league's first 0-16

season. Zolak is a big, strong-armed quarterback, but as with any young passer, pressure and combination zone defenses frequently cause confusion. New York should manage to generate both. Jets by 4½.

COWBOYS (8-2) at CARDINALS (3-7)

Key stat: Cowboys' receiver Michael Irvin made scoring catches of 87, 41 and 4 yards in a 31-20 triumph over Phoenix in third week; Cardinals have dropped four straight to Dallas. Comment: Cowboys look to heal after disappointing loss to Rams, and improving Phoenix hopes to make the Dallas misery stick. Phoenix has the tools to keep the game close, but

NFL MATCHUPS

The Cowboys are more driven and more talented. Dallas will build on its plus-2 turnover differential as turnovers make the early and late difference in the game. Running back Emmitt Smith (13 rushing touchdowns) will easily find the end zone. Cowboys by 8½.

BRONCOS (7-3) at RAIDERS (4-6)

Key stat: Broncos beat Los Angeles in season-opener, 17-13, despite the Raiders' outstanding Denver by 313 yards to 200, which included a 152-47 rushing advantage. Comment: The Raiders look their eyes and look in horror and disbelief at how a season with such high hopes dissolved to the point where they're on par with clubs like Indianapolis and Cincinnati. They had won five straight over Denver before the loss this season, but expect to begin another string. For a game, at least, the Raiders will feature balance and strength on both sides of the ball that once characterized the franchise. Raiders by 3½.

49ERS (7-3) at RAMS (4-6)

Key stat: 49ers led 34 games before this season but seven games of 140 or more rushing yards, but this season they have eight; Rams lost 27-24, to 49ers in fifth week. Comment: Under tremendous scrutiny, Steve Young has put together an incredible season for the 49ers. His running, passing and decision making have been, overall, superb. San Francisco's defense has flourished despite the loss of its best player, and Charles Haley, to a trade. San Francisco has topped the Rams in four straight, but the Rams always play in Candlestick Park with grit and courage. San Francisco, however, is prepared. 49ers by 7.

BUCCANERS (4-6) at CHARGERS (5-5)

Key stat: Buccaneers are 0-4 against San Diego, and in the NFC trail only Detroit (15) with 71 penalties; Chargers allow only 3.3 yards per rush. Comment: San Diego is in the AFC playoff chase, and their chances appear quite good with games left after Tampa Bay against Raiders, at Phoenix, Cincinnati, at Raiders, at Seattle. The Chargers have size and speed, and are only now beginning to mesh an improved offense with a consistent, ball-hawking defense. Expect a big day from Chargers' back Marion Butts and Rod Bernstein, who have combined for 905 rushing yards. Chargers by 8½.

CHIEFS (6-4) at SEAHAWKS (1-9)

Key stat: Chiefs Neil Smith has 11.5 sacks and Derrick Thomas has 10.5; Seahawks have amassed 59 points, fewest in the NFL, and have thrown 32 more passes than opponents for 635 fewer yards. Comment: Kansas City threatened Seattle by 26-7 in the second week and this time the margin could easily swell. The Chiefs got quarterback T. D. Kline from Seattle via free agency, but although he's been hot and cold he has been far more productive than his replacement in Seattle, Kansas City figures to pound the ball on the ground early, and then throw deep late. The Seawings Seattle offense is no threat. Chiefs by 12.

REDSKINS (6-4) at SAINTS (7-3)

Key stat: Redskins have won five straight over Saints, with last victory in 1990 and last loss in 1979; Saints have 20 more rushing attempts than opponents this year for 92 fewer rushing yards. Comment: For a team built offensively around its ground game, New Orleans is Saints are coming up short. It desperately needs a strong rushing game for any chance to beat the Redskins because Washington, despite its struggles on offense, has the receivers to burn the Saints on blitzes. Both teams would love to play ball-control and win with boredom, but the winner will be the team whose offensive players step up with conviction. Suprise: That's New Orleans. Saints by 4.

These NFL matchups were written by Thomas George of The New York Times. Odds were provided by Harrah's of Las Vegas.

Statistics for AFC and NFC Individual Offensive Leaders

AMERICAN FOOTBALL CONFERENCE				NATIONAL FOOTBALL CONFERENCE			
QB	Yds	TD	INT	QB	Yds	TD	INT
Allen, Minn.	146	6	5	Allen, Minn.	146	6	5
Workman, G.B.	139	4	4	Workman, G.B.	139	4	4
Byner, Wis.	164	5	2	Byner, Wis.	164	5	2
...

DENNIS THE MENACE

PEANUTS

CALVIN AND HOBBES

BLONDIE

WIZARD OF ID

REX MORGAN

GARFIELD

JUMBLE

Unscramble these four jumbles. Write the letters in the boxes below.

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CAJALK

BODLIE

BEETLE BAILEY

DOONESBURY

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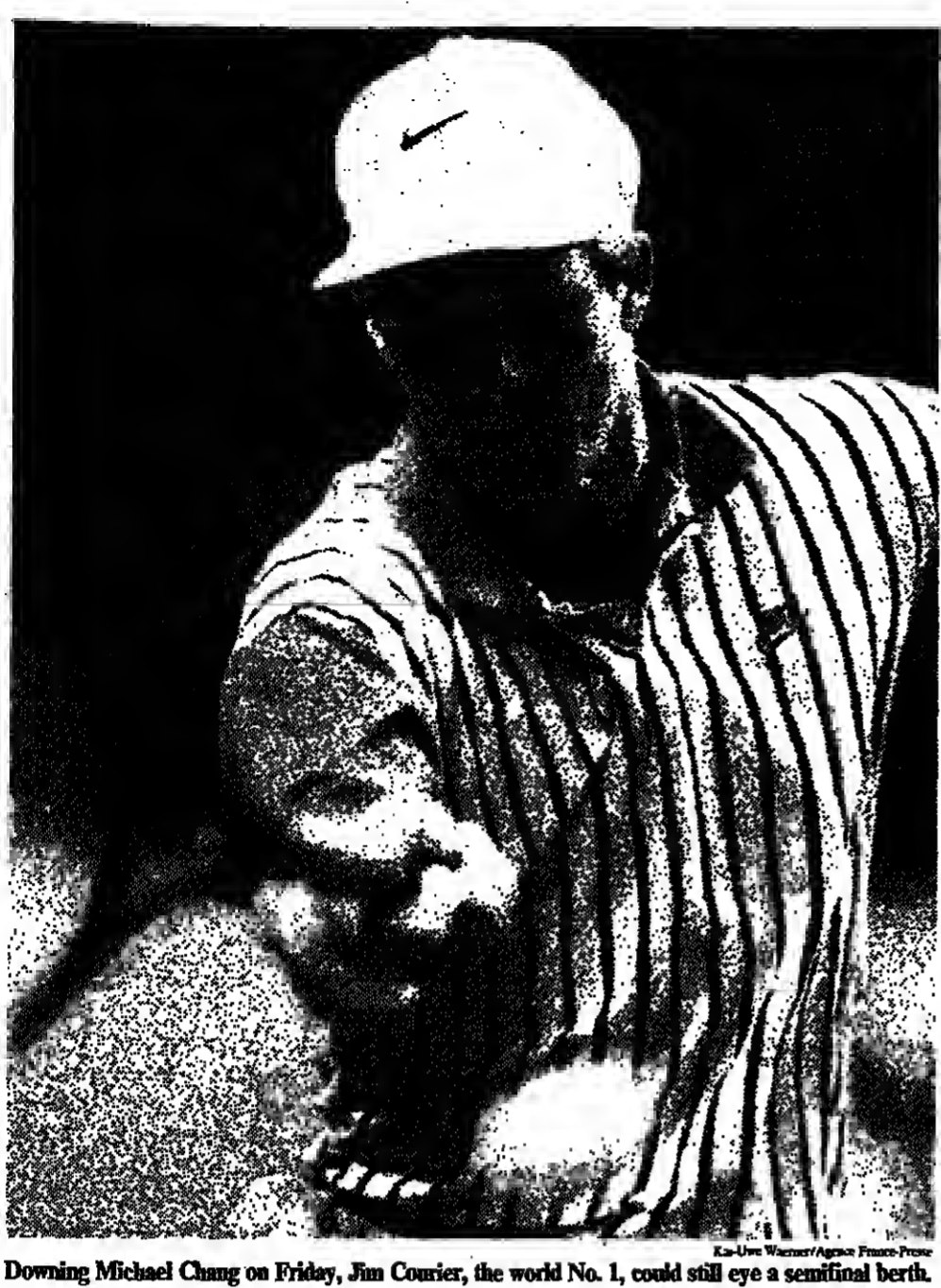
GARFIELD

GARFIELD

SPORTS TENNIS

Navratilova And Seles Advance to Slims Semis

NEW YORK — Monica Seles said she was lucky. Martina Navratilova said she forgot to attack. Whatever, they both made it to the semifinals of the Virginia Slims Championships...



Downing Michael Chang on Friday, Jim Courier, the world No. 1, could still eye a semifinal berth.

ATP Battles, but Few Casualties Among World's Top 8 Players, Down Doesn't Mean Out

By Ian Thomsen International Herald Tribune

FRANKFURT — We interrupt our broadcast for this special report: Petr Korda has been eliminated from contention and therefore will not advance to the final of the ATP Tour World Championship...

Our reporter, Frank Sztajno, is on the phone from Frankfurt, Frank, what's going on there? "Well, Dan, I can tell you that they're still playing some world-class tennis here in Frankfurt...

It looks that way, Dan. "If so, he would be the second player knocked out of the tournament after Petr Korda. While our audience is viewing highlights from Petr Korda's career, we should tell them, Frank, that this is not a misprint on their screens...

Courier Year-End Best As Edberg Is Trounced

International Herald Tribune

FRANKFURT — Jim Courier on Friday became the first American to earn the No. 1 year-end ranking since John McEnroe in 1984. He claimed the honor when his rival, No. 2 Stefan Edberg, was dethroned...

Standings at the end of round-robin play: Red Laver Group — Ivanesevic, 3-0; Courier, 2-1; Krajicek, 1-2; Chang, 0-3; Ken Rosewall Group — Sampras, 3-0; Becker, 2-1; Edberg, 1-2; Petr Korda, 0-3.

would have to win at least one round-robin match in order to advance to the semifinals and be appointed confident. Even after his opening loss in straight sets to No. 2 Stefan Edberg...

Any further comment from Korda? "I'm afraid not. I can tell you that before the tournament, as we look back and try to make sense of what's happened, it seems he was at least vaguely aware of the imminent danger...

How are his competitors taking the news? "I think they all feel vulnerable. After the four Grand Slam events and the Olympics, this World Championship is the most important event of the year...

We return you now to our regularly scheduled interview with Ross Perot.

Measure of O'Neal's Stature: Wilt Wants a Look

By Harvey Araton New York Times Service

NEW YORK — Just how big is Shaquille O'Neal? Seven feet one inch and 301 pounds only begin to measure and weigh the immediate impact of this enormous young man...

On Saturday night, when the Orlando Magic's rookie giant throws his 2.15 meters and 137 kilos into his first close encounter with an All-Star center, the New York Knicks' Patrick Ewing, Chamberlain is planning to squeeze his 7-1 frame and still-sculptured 275 pounds into a seat designed for normal-sized human beings...

Unlike at women's professional tennis matches, where Wilt's famous face often hovers above the crowd, it is a rare night when there is a Chamberlain sighting at a basketball game. It's not that he isn't interested in the league he terrorized for 14 years...

Jackson and Clippers In Post-Trade Victory

The Associated Press

Mark Jackson's ball-handling helped orchestrate a victory for the Los Angeles Clippers against the visiting New York Knicks in a wild matchup of former teammates...

Jackson scored seven points in a decisive 15-1 fourth-quarter rally by the Clippers that led to a 101-91 Thursday night. "I just wanted to show how I could run a team and do my job the way I do best," he said. "I'm drained."

Jackson also got soaked when his former teammate John Starks tossed some water at him, prompting Jackson to exchange some angry words at the Knicks' bench.

SIDELINES

German Body Upholds Krabbe Ban

DIERHAGEN, Germany (AP) — The German track federation decided on Friday to follow international rules requiring a four-year suspension for the world sprint champion Katrin Krabbe because she had taken a banned drug...

The German federation announced after a meeting of its leadership in Dierhagen that it was bound by IAAF rules to ban the three women, who trained together with the Neumarktburg track club.

Coast Guard Ends Search for Sailor

NEW YORK (NYT) — The U.S. Coast Guard on Thursday called off its search for Mike Plant, a prominent solo sailor, noting that an aerial survey of more than 200,000 square miles in the Atlantic Ocean over six days had turned up no signs of him.

Plant, who left New York on Oct. 16 on a voyage to France, relayed a radio message to friends Oct. 21 that the electronic system was down on his 60-foot (18-meter) racing yacht, Coyote. He has not been heard from directly since.

Rosen Quits as President of Giants

SAN FRANCISCO (AP) — Al Rosen, president and general manager of the San Francisco Giants, resigned Friday to allow a new group of owners to select their own team leaders.

A tearful Rosen told a news conference at Candlestick Park that he felt it was best that he step aside. "It's been a great seven years," said Rosen. During his tenure, the Giants won two division championships and appeared in a losing effort in the earthquake-interrupted 1989 World Series, which they lost to their American League neighbors, the Oakland Athletics.

For the Record

David Peoples, the overnight leader, birdied the final hole on Friday for a 70 to retain his lead in the second round of the Dunlop Phoenix golf tournament in Miyazaki, Japan.

SCOREBOARD

BASKETBALL

NBA Standings

Table with columns for Eastern Conference and Western Conference, listing teams like Orlando, New Jersey, and their win/loss records.

HOCKEY

NHL Standings

Table with columns for Eastern Conference and Western Conference, listing teams like Toronto, Montreal, and their win/loss records.

THURSDAY'S RESULTS

Table listing various sports results including basketball, hockey, and soccer from Thursday, Nov 20.

TRANSACTIONS

BASEBALL: National Baseball Association. BOSTON — Signed Brian Dook, catcher, and Kevin Collins, pitcher. BOSTON — Signed Brian Dook, catcher, and Kevin Collins, pitcher.

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DAVE BARRY

Building a Rumba Box

Miami — Today's scary topic for parents is: What Your Children Do When You're Not Home. I have here a letter from Buffalo working mom Judy Price concerning her 14-year-old son, David, who should certainly know better. Judy states that one day when she came home from work, David met her outside and said: "Hi, Mom. Are you going in?" (This is a bad sign, parents.) Judy says she considered replying, "No, I thought I'd just stay here in the car all night and pull away for work in the morning." That actually would have been a wise idea. Instead, she went inside, where she found a large black circle burned into the middle of her kitchen counter. "DAVID!" she screamed. "WHAT WERE YOU COOKING?" The soft, timid reply came back: "A baseball."

It turns out that according to David's best friend's cousin you can hit a baseball three times as far if you really heat it up first. So David did this, and naturally he put the hot pan down directly onto the counter top, probably because there was no rare antique furniture available. For the record: David claims that the heated baseball did, in fact, go farther. But this does NOT mean that you young readers should try this foolish and dangerous experiment at home. Use a friend's home. Seriously, you young people should never heat a baseball without proper adult supervision, just as you should never attempt to make a rumba box. A rumba box is an obscure musical instrument that consists of a wooden box with metal strips attached to it in such a way that when you plunk them, the box resonates with a pleasant rhythmic sound. The only time I ever saw a rumba box was in 1964, when a friend of my parents named Walter Karl played one at a gathering at our house, and it sounded great. Mr.

French Academy: Getting Words Right

Dictionary: A book dealing with the individual words of a language (or certain specified classes of them), so as to set forth their orthography, pronunciation, signification and use, their synonyms, derivation and history, or at least some of these facts: for convenience of reference, the words are arranged in some stated order, now, in most languages, alphabetically; and in larger dictionaries the information given is illustrated by quotations from literature, a word-book, vocabulary or lexicon.

The Oxford English Dictionary. Dictionnaire: Recueil méthodique de mots rangés le plus souvent dans l'ordre alphabétique. Dictionary of the Académie Française By Barry James International Herald Tribune

PARIS — When it comes to dictionaries, the Oxford English is like a battleship. That of the Académie Française, the first volume of which has just been re-edited after a 60-year gap, is by comparison a swift corvette, in which economy of means and elegance of expression count equally with accuracy of definition.

Volume 1, A-Enzyne, is about to reach the bookstores. It is hoped that the remaining two volumes will follow at three-year intervals, although for the impatient, the academy plans to publish its work in fascicles as and when it is completed.

An entirely new edition of the dictionary comes with the infrequency of a comet, according to the academy's permanent secretary, Maurice Druon, and its appearance is therefore an important event on the national publishing scene. This is only the ninth edition since the work came out in 1694 on the instructions of the Cardinal Richelieu.

The academy's statutes give it responsibility for establishing rules for the language, "rendering it pure, eloquent and capable of expressing the arts and the sciences." This role has given it the somewhat unimpeachable reputation of being a heavy in the struggle to defend French against alien, particularly English, infiltration. For it is not the academy, but the state's watchdog, the General Commissioner of the French Language, that has the task of pruning foreign neologisms from official communications.

Druon said, in fact, that the academy is pleased to welcome new words from other languages or from other parts of the French-speaking world, provided they meet a real need and are used correctly.

Thus, although purists may gnash their teeth, the new dictionary includes drugstore (while insisting on the In-spector Clouseau pronunciation, *drugstore*), cowboy, copy-right, best-seller, bulldozer, dead heat and several other Anglicisms or Americanisms among the 5,900 new terms or acceptations since the eighth edition.

Such hospitality to foreign neologisms and usages is nothing new. Little more than a month before his death in 1778, Voltaire went to the Academy for a discussion of the Abbé de l'Épée's version of Alexander Pope's Epistle to Dr. Arbuthnot. Voltaire knew the original and complimented the Abbé on his fine translation. He then suggested that the academy revise its dictionary to include hundreds of new words.

And when Samuel Johnson completed his English Dictionary "with little assistance of the learned, and without any patronage of the great," the academy sent him a copy of its dictionary in gratitude and admiration.

"It is not a battle against good English that we are conducting, but against bad French," Druon said. "The two great languages are allies which have constantly enriched one another."



The Académie Française's permanent secretary, Maurice Druon (left), and academician Jean-Denis Bredin.

The real enemies are those writers who dot their prose with foreign affectations to "decorate indignously," said Druon, quoting in English from H.W. Fowler's Dictionary of Modern English Usage. They are like those inferior English writers who slip in a "zut alors" or "sacre bleu" every time they want to establish a bit of French atmosphere.

But when Stendhal used the phrase "the happy few," would you reproach him for that? Druon asked. A piece of really bad French Druon threw up his hands at an example of Europeanism recently quoted by Umberto Eco: "La plus speedy du Pizze." Druon said that honest English neologisms pose less of a threat to the language than such "delectable" and tortuous constructions from the advertising world.

On the other hand, he cited "frotte-manche" — literally, a sleeve stroker, meaning a flatterer — as the kind of expression that adds richness and color to the language, and that will almost certainly find a place in the next volume of the dictionary.

In deciding what is allowed to enter the accredited language, the academy avoids the ephemeral — what Druon called words "that push up like mushrooms and disappear with the rising of the sun" — while striving to make the dictionary as accurate a reflection as possible of the contemporary language.

The academy embodies a distinctly French view on the role of language in thought and philosophy. English is like an English garden, where the roses ramble where they

may, French is like the grounds of Versailles, where every tree lines up as if on military parade. There is nothing new in this. One need only compare the lavish language that Shakespeare used, much of it borrowed from French, with the controlled classical discipline of Corneille and Racine.

The linguist Ferdinand de Saussure pointed out the arbitrary relation between a word and the concept it signifies, a structuralist idea that Druon supports. "We create a world in naming it," he said. "The reality of a thing does not exist for men until it has a word."

It is for this reason, he said, that the dictionary aims not to capture language on the fly, but to encapsulate it in a framework of logic, clarity and simplicity. The dictionary, Druon added, is "a contribution to the task of maintaining French as a great universal language."

This has been a good year for dictionaries. The Royal Spanish Academy recently published its 21st edition since 1780 to coincide with the 500th anniversary of the discovery of America. The one-volume book contains 83,000 entries, 12,000 more than the 20th edition in 1984, but still only a fraction of the 460,000 English words in Webster's Third International.

The Royal Academy has 15 million hand-written cards in its files, which are slowly being transferred to electronic data bases, meaning that future editions will be almost entirely produced by computer, perhaps at shorter intervals to reflect the constant shifts in a language spoken by 300 million people.

PEOPLE

Woody and Mia Clash: Was Satchel 'a Prop'?

More crimes and misdemeanors: CBS-TV was interviewing Woody Allen for "this side of the story" of his custody battle with Mia Farrow, and then all hell broke loose: Allen and Farrow's biological son, Satchel Farrow, 4, showed up in the lobby of Allen's building. Allen left the interview and sent the child and his sister away. Farrow called CBS to complain that Allen wanted to use the boy for a "prop." CBS said it had nothing to do with his showing up and had not interviewed the child. Later, Allen reportedly reached an agreement with Farrow under which he can see Satchel regularly.

A London tabloid claims Prince Charles has given a lawyer new tapes featuring Princess Diana and an admirer, and the recordings could be evidence if the marriage ends in divorce. Buckingham Palace declined to comment. Meanwhile (and for something completely different), Prince Charles, on a visit to an urban renewal site in Brussels, said: "I'm extremely disappointed that I haven't had the chance to knock down this particular building." He added: "Maybe I should travel with a little dynamite in my pocket in future." The high-rise he was referring to is scheduled to be knocked down.

Steven Seagal, the martial arts master turned star, is fuming over the suspension of what was to be his debut as a director, "Man of Honor." The movie company, 20th Century Fox, mailed out the \$3 million fee without comment. Star or not, Seagal looks risky as a director since his big names like Eddie Murphy, with "Harlem Nights," and Jack Nicholson, with "The Two Jakes," flopped as directors.

Art Spiegelman will join The New Yorker as a contributing editor and artist and will be producing things that comics haven't done much, which includes doing essays on social and political themes and reportage," he said. His first strip will be in the Dec. 7 issue.

International Classified Appears on Pages 7 & 9

WEATHER

Weather forecast section including maps for Europe, North America, Asia, and Oceania, with temperature and precipitation data for various regions.

Opposites Attract By Charles M. Deber

Crossword puzzle grid with clues and a list of words to be placed in the grid.

BOOKS

THE SECRET SUN: A novel of Japan

By Fred Hiatt. \$21. Pantheon Books. Reviewed by Emily MacFarquhar. This first thriller by the former Tokyo bureau chief of The Washington Post is for readers content to wait until page 291 for the first violent death. Still, Fred Hiatt provides plenty of high-stakes menace and villainy in his sub-reporter's fantasy of seduction, sleuthing and scoops set against a textured portrait of the country many Americans love to hate. The hero of "The Secret Sun" is John Piper, a laid-back college dropout, working in Tokyo for a third-rate American newspaper.

Piper has the clothes sense of a Columbo but lacks that detective's smarts. Happily, two Japanese women make up his deficiencies: Kyoko, his savvy, sexy assistant, and Shimizu, an aging ex-scientist. Kyoko, who is the object of Piper's lustful imaginings, proposes a Hiroshima anniversary article about a rumored wartime effort by the Japanese to build an atomic bomb. This idea comes to her out of nowhere, and becomes the big story that every reporter dreams will lift him into the big time. But even with Kyoko guiding him, Piper is stymied until clues are dropped into his lap by Shimizu. Thrillers should not need fairy godmothers. Because they are both outsiders, the two women dare to break ranks by helping a foreigner foil a Japanese conspiracy. A ruffled civil servant, Sato, also bucks up the

Solution to Puzzle of Nov. 14-15

Solution to the crossword puzzle from the previous page, showing the words filled in the grid.

Large advertisement for AT&T USADirect Service, featuring a clock image and the text: 'Now good news can travel even faster. AT&T USADirect Service. Your Express Connection to AT&T Service.' Includes a list of international access numbers.